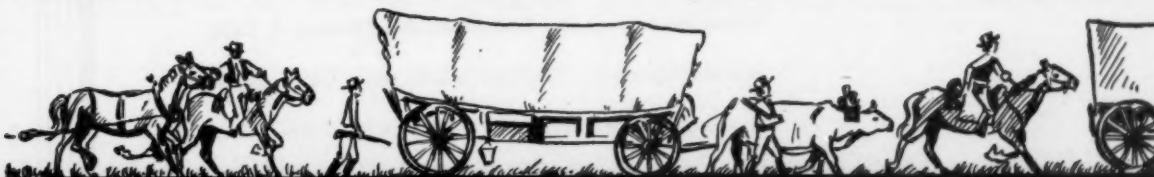
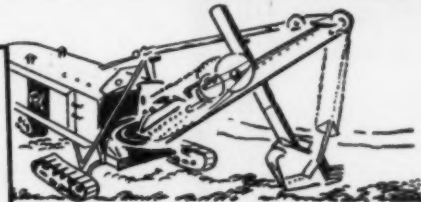


The NATIONAL UNDERWRITER

UTAH • 1896

Utah, long known as Deseret which in the book of Mormon means honey-bee, was probably visited by Coronado in 1540. More than three centuries later, Brigham Young made the first settlement near Salt Lake City by proclaiming to the Mormons, "This is the place." The completion of the trans-continental railway at Ogden in 1869 insured the prosperity of the territory. Experiments in irrigation began early and are responsible for the success of agriculture. The state ranks high in the production of alfalfa, wheat, oats, sugar beets, fruits, and vegetables. Manufacturing leans toward lead and copper refining, meat packing, and canning. Utah is a leading mineral state of the West, producing salt, copper, silver, lead, and zinc. The Geneva Steel Mill at Provo has brought to Utah many subsidiary industries requiring steel in their operations. This section of the country is the tourists' paradise: Great Salt Lake, the Natural Bridge, Cedar Breaks, often called the most colorful place in the world, Zion Cavern, named by the Mormons after their heavenly city, and Bryce Canyon which the Piute Indians described as "red rocks standing like men in a bowl-shaped canyon." The Mormon Temple and Tabernacle at Salt Lake City are outstanding examples of architecture and illustrate the inherent industry and perseverance typical of the faith. In southern Utah, land of the Navajo, primitive methods are still used in carding and spinning the wool which goes into the world-famous blankets. A state whose slogan is "Industry" presents many opportunities for industrious agents.



CRUM & FORSTER

MANAGER

110 WILLIAM STREET - NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO.
THE NORTH RIVER INSURANCE CO.
WESTCHESTER FIRE INSURANCE CO.

Organized 1824 THE WESTERN ASSURANCE CO., U. S. Branch Incorporated 1851
Organized 1822 THE BRITISH AMERICA ASSURANCE CO., U. S. Branch Incorporated 1833
Organized 1837 SOUTHERN FIRE INSURANCE CO., Durham, N. C. Incorporated 1923

THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh Organized 1868

WESTERN DEPT. CHICAGO, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.

ILLINOIS AND KANSAS AGENTS CONVENTIONS

THURSDAY, OCTOBER 27, 1949



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY
ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.
ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE
ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY
ORGANIZED 1882



ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA
ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK
ORGANIZED 1874



COMMERCIAL CASUALTY INSURANCE COMPANY
ORGANIZED 1909



PITTSBURGH UNDERWRITERS • KEYSTONE UNDERWRITERS

LOYALTY GROUP

Home Office: TEN PARK PLACE, NEWARK 1, NEW JERSEY

Pacific Department: 220 Bush Street, San Francisco 6, Calif.

Western Department: 120 South La Salle Street, Chicago 3, Ill.

Southwestern Department: 912 Commerce St., Dallas 2, Tex.

Foreign Departments: 111 John Street, New York 7, New York
206 Sansome St., San Francisco 4, Calif.

Canadian Departments: 465 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver, B. C.

Multiple Line Offers Business Chance to Mature

Diemand Urges End of Acute "Specializitis" in C.P.C.U. Talk

With multiple line underwriting, the barriers to seeing and operating of the business "as a whole" are removed and insurance can—and must—make a practice of "creation, obligation, research and sociability," President John A. Diemand of North America group told the Pacific chapter of the Society of Chartered Property & Casualty Underwriters in Los Angeles.

In workaday terms, he said, this means getting used to and habitually doing four things: "Making or devising things for ourselves and not being content with what we can beg, borrow or steal from others. Taking on all the jobs we can do for ourselves, and not leaving them to others to do for us. Finding out what makes things tick, and not accepting every bit of propaganda from the pot. Living together in balanced interdependence, not in arrogant independence or abject dependence."

Company Specialization Irksome

Though specialization is necessary for efficient operation, it must remain a means to the end and never be allowed to become an end in itself, he declared. Specialized viewpoints, can develop a serious form of blindness, and those in the companies often are accused of it. Company specialization has proved irksome to agents and brokers who, living close to needs of policyholders, are accustomed to cross back and forth over the fire, marine and casualty boundaries.

The buyer is harassed by compartmenting of the business. Frequently he has unique needs which require special treatment and which cannot be simply met by fixed and rigid forms. Some company men have come to believe it is beyond human limitations for the underwriter in the United States to think in terms of insurance in general and to leave the confines of a particular specialty. As a result, the business has come to accept the so-called fire viewpoint or marine viewpoint, or casualty way of doing business.

Many have lost sight of the reason for their existence, the policyholder; have come to concentrate on the structure itself rather than the purpose for which it was designed. With multiple line laws it is time to simplify the structure and to return to the business' primary responsibility, protection of the policyholder's interest.

Road to Maturity

American insurance has come a long way toward maturity, he said, but it still has far to go. For example, on certain lines there has been long and full experience but, through sloth or design, statistics the business could give have not been recorded or compiled. In the Virginia hearings of about 20 years ago, commissioner and court commented on the inadequate statistics presented. In the district of Columbia case some 15 years later the same justifiable complaints were renewed on the same grounds. In the past year, in the

C. W. Ohlsen Is Named Sun V.P.

Charles W. Ohlsen, western manager of Sun, has now been appointed



C. W. Ohlsen

a vice-president of that company and also of the affiliated Patriotic. He has been a Sun man since 1911 and became agency supervisor in 1926 and manager in 1934. He served as president of Western Underwriters Assn. from 1945 to 1948. He is a past president of the old Illinois State

Board of Underwriters, past most loyal gander of the Illinois Blue Goose, and former president of Underwriters Grain Assn. Before going with Sun he was with Western Factory Insurance Assn.

B. G. Rumsey, who has been in charge of fire and allied lines in the eastern department, has been named secretary of the two companies.

deviation proceedings under the new Pennsylvania rating law, the commissioner found himself obliged to conduct an independent investigation to get at the facts. Also, if there are full and complete statistics to support the practice of writing 5-year term for four annuals and three for 2½, they have yet to appear in arguments over the term rule.

One field in which continued ignorance can do the greatest harm is accident and health, where there has been a great cry over "certain operations" of "certain mail order insurance companies." Using this rumor as an entering wedge, the federal trade commission, "whose greed for power has been well demonstrated in other fields, has sought to take over the job which by public law 15 Congress left to the states," Mr. Diemand said. Almost no factual arguments have been produced to meet this attack. Guesses and estimates have predominated and concrete statistical data has been almost completely lacking as to how much money, how many people and how many companies are involved. Legislatures, Mr. Diemand pointed out, are all too prone to throw out the baby with the bath water and unless enlightened promptly may do it again. They may throw out not only A. & H. but life, fire, marine and casualty as well.

SENSE OF DUTY

A second mark of maturity is a sense of duty and a voluntary assumption of increasing duties, and Mr. Diemand cited much progress here. Perhaps the strongest proof of the degree to which insurers and agents realize and perform their duties lies in the amazingly few claims that get into the law reports, compared with the literally millions of policies, endorsements, bonds and contracts issued every day to the public and the still more millions of losses occurring under them.

Perhaps no other form of American business has developed more efficient means for observing and enforcing social duties as insurance, but, Mr. Diemand said, these means have not always been used to accomplish their proper ends. In the S.E.U.A. case, there was a recognition of duties and the means of enforcing them, but the difficulty was that the duties recognized were only those which the members felt to each

Rhode Island to Pay Coast Claims from Eastern Funds

SAN FRANCISCO—Superior Court Judge Cronin, who issued the original order in May naming Commissioner Downey as conservator of Rhode Island Insurance Co., has signed an order establishing a procedure for the handling of California claims against the company under the conservatorship whereby eastern funds of the company may be used.

The court decree followed an application by the California commissioner for authority to negotiate an agreement with executives of the Rhode Island to provide for paying of California claims from eastern funds of the company, in consequence of the commissioner's finding of inadequate assets in California at the time of the seizure to pay claims from California. This followed a series of conferences.

Full Agreement Reached

Plans have been agreed upon for the payment of claims in California. Under the agreed procedure, claims will be reported directly to the commissioner in the Los Angeles and San Francisco offices of general agencies of New York, whose assigned departmental deputies will assign the losses to adjusters, handle administrative details and furnish the Rhode Island home office with completed files of each claim. The company agreed to pay such losses normally through either its agent or the adjuster, but it reserves the right to decline to pay, if in its opinion the claim is not justified.

Richard M. Becker, district insurance liquidator in the California department, now is preparing duplicates of existing claims files awaiting payment, which will be sent to the home office as soon as the details of the duplication may be completed. It is expected that the complete plan will be in operation within a week.

other. There was responsibility, but not social responsibility.

Mr. Diemand wondered if there are no longer any serious attempts of concerted action by companies or agents to freeze rates at levels not justified by experience, to fix commissions at levels out of line with services rendered, to force independents into step, to restrict available coverages to old, familiar but outworn forms. The business will not come to maturity until by its own efforts and not by governmental compulsion it has eliminated these practices. It must learn to think of the other fellow as the man who pays the premiums and commissions; responsibility must be not to itself alone but to the public as well.

Examples of Failure

An eastern rating bureau formed within five years sought for its own convenience and not for public good to compel its members to restrict their underwritings to bureau forms. In the recent debate in Chicago on installment premium plans, only one speech was devoted to a consideration of public interest. In Pennsylvania North America placed commissions on a uniform level statewide and was later joined by some of the largest and oldest companies doing business in that state. Finally, under guise of a general rate revision the local rating bureau reduced the rates in the affected classes by very nearly the amount of redundancy pointed out in the original deviation filing.

(CONTINUED ON PAGE 36)

Arizona Agents Elect Davidson As New President

Term Installment Plan Strongly Opposed at Meeting at Tucson

TUCSON—Arizona Assn. of Insurance Agents held its annual meeting here, with an attendance of approximately 350, the largest in the history of the association.

New officers are: President, W. E. Davidson, Tucson; vice-president, Conner Johnson, Phoenix; secretary-treasurer, Frank Middleton, Phoenix; state national director, Kenneth L. Nehring, Tucson.

A resolution was adopted opposing the installment payment plan on term fire business for five reasons: multiplication of expense element for companies and agents, rate increases, discrimination, illegality and jeopardy of the term rule.

The executive committee report presented by Chairman Paul H. Jones of Tucson, was accepted and motions made for the incoming administration to act on the following projects: (1) Promote anti-coercion or fair trade laws which would be fair and reasonable to all concerned; (2) discuss merit rating for automobile insurance with companies; (3) tighten existing financial responsibility law and make it workable.

Nehring Outlines National Issues

The director's report by Kenneth L. Nehring of Tucson included the following topics presented to the membership: the installment payment plan; action by National association on the commission control problem; social security legislation and socialistic trends in the insurance business.

Frank Colridge of Pacific Board in his talk told of research conducted by the board, the new 1949 California fire form, the "Pacific plan," setting up of a speakers bureau, and the program for nation-wide inspection of hospitals.

Harry Nason, deputy director of insurance of Arizona, challenged the agents to consider multiple line trends. The advantages he pointed were: Package policy, elimination of subsidiary companies, stimulation of new companies, competition of english companies. Disadvantages include incompetence of underwriters to cope with all lines; lack of adequate personnel in all departments; all-risk hazards prominent in multiple lines policies.

Debate on Installment Plan

M. E. Pitts of North America and John Wylie of Springfield Fire & Marine gave opposing views on the installment payment plan, followed by a spirited question period, "stumping the experts," with Albert Gibson, Tucson agent, as moderator. The board of experts consisted of John E. Clark, of American; W. D. Frampton, Great American Indemnity; Ernest F. Wagner, Phoenix-Connecticut; Milton C. Kennedy, Hartford Indemnity; William M. McCloy, General Appraisal Co.; L. E. Clifton, Home Indemnity.

Monday morning Russell Sweitzer gave his presidential report and Ralph Cash reported for the Far West Agents Conference, and Kenneth L. Nehring

(CONTINUED ON PAGE 36)

Installment Plan Experience Is Compared With Criticism

North America Executive Relates Successful Four Year Finance Operation

By KENNETH O. FORCE

PHILADELPHIA—In view of the discussion in recent months, much of it criticism, of the installment plan of paying term premiums, an executive of North America was asked what the company now thinks of the plan it has been using for more than four years and now uses in 37 states, and what its experience has been where it bears on the more practical of the criticisms, such as the effect on the cost of doing business.

In the first place, North America likes its installment plan and intends to continue its use, the spokesman stated. It has functioned successfully from the outset. Many of the criticisms made of it already have been answered in North America's experience with it. Nothing has transpired to cause North America's officials to alter the reasoning which prompted them to devise the program and put it into effect.

Not Designed as Competitive Tool

The impression has gained currency that North America devised the plan as a competitive tool with which to increase its business. Before launching the plan more than four years ago, the company presented to the other fire company members of the several regional fire bodies what it regarded as a problem for the business—use of outside agencies to finance term premiums, and invited other companies to join with it in reaching a solution. The other fire insurers declined the invitation. The plan has given the company a competitive advantage, but North America did not adopt it for that purpose.

North America, the spokesman for the company commented, had come to the conclusion that the financing by a third party, an outsider in the insurance transaction, of a large portion of term business involved certain alterations in the relationship of insurer, agent and insured that were detrimental to the business. To get a policy financed, insured has to sign a note in which he gives power of attorney for the cancellation of the policy in the event of non-payment. He must also agree that any loss under the policy must be channeled through the financing firm, which gets its money first.

Small Buyers, Institutions Left Out

North America objected—and objects—to this for several reasons. It is not good public relations for the business. Most finance companies place a minimum on the premium which they will finance, which discriminates against the smaller policyholder. Certain institutional properties cannot get the term discounts in this way because they don't have the right to borrow money for the purpose—school boards, for example, or municipalities, or other non-profit institutions such as churches and hospitals. In many instances such organizations or bodies cannot sign notes. They have no legal right to borrow the money or the process is so involved as to make it impractical.

In addition, North America executives thought it improper to put it in a position of arbitrarily forcing into its transactions an outside party, if it had the power itself to avoid the necessity of bringing in that party, whose appearance added to the costs paid by the purchaser.

Another point was, the spokesman said, that though agents in larger communities may have satisfactory financing arrangements, the small agent in the smaller center often does not have. One letter from an agent, which is in the company's files, states that he finds it

difficult to explain to the public how the bank comes into the insurance picture, especially if more than one bank serves that community. Another agent wrote that it is very important that all matters involved in the transactions with insured remain with him, the agent, and not have to go through an outside organization like a bank.

The plan is being applied in so substantial a number of North America transactions as to indicate without question, the spokesman stated, a real demand. The question of demand is, of course, one of those frequently raised by those who oppose the installment idea.

Meets Non-Bureau Competition

Also, the plan has helped agents meet the competition of companies that emphasize price differential; in many instances it has enabled North America agents to secure business previously handled by such insurers for some time.

One of the chief concerns of insurers is that the installment plan is likely to cause a shift of all business to 5-year term, and do it rapidly enough to present the smaller company with a serious reserve problem. If all business went to 5-year term, agency costs would also zoom, they say.

In discussions of installments, the North America official pointed out, almost all the discussants proceed on the assumption that the agent does only a fire business. Almost every agent also has other business on his books—inland marine, casualty, automobile of which the fire business is only a part.

Why is the fire business different from these lines? the spokesman asked.

Cites Marine Finance Plans

Several inland marine classes, representing a substantial portion of inland marine total business, may be written for three years at 2½ annuals plus 2.5% if paid 50% the first year, 30% the second and 20% the third; and for 2½ annuals plus 3¼% on second and third installments if paid 40% the first year, 30% the second and 30% the third. These classes are the following floaters—personal property, fine arts, musical instrument, personal fur, personal jewelry, and camera. The rules also apply to uncontrolled classes—bridges, horse and wagon floaters, physician and surgeons' floaters, etc. Additionally, term premiums in certain casualty lines may be paid in installments for an additional charge.

The fire business itself in farm rules filed and approved in 20 of the large farm premium producing states offers an installment note plan. Under the plan a 5-year policy is payable one-fifth in cash (or by a three months note) with a note taken for the remaining four-fifths, one-fifth to mature each year on the first of the month following the anniversary date of the policy. There is no interest charge, the rates are quoted in the manual for the use of the plan, at 4.5 times the annual rate.

Only Small Percent Financed

North America's experience shows that all business is by no means converted to the installment plan. The amount represents a comparatively small percentage of each agent's business. The plan is being used as it was designed to be, where it needs to be used. North America, its spokesman explained, invited the industry as a whole to adopt a plan of this kind. If all policies go to term, some prepaid and some payable in installments, the business will be serving the public properly. The insurance business will have eliminated the discrimination against the individual who can't buy term or who doesn't want to sign notes, he said.

North America has a good deal of business that goes from installment to prepaid term, the spokesman added. The

North America installment endorsement spells out clearly the additional charge for the installment. Insured is "on notice" that he can make at least 3 percent on his money by pre-payment. North America has had an appreciable number of cases where the agent sells insured a term policy on the installment plan, then insured gets some money and wants to prepay to save the installment charge.

Can Convert to Term Readily

The company also has a good deal of conversion of annual to 5-year installment term, and this volume includes a number of small premiums. However, the spokesman declared, "it is not of sufficient proportions to make it uneconomic." Anyway, insured already has the right to convert to term at any time.

The installment term policy is identical with the term policy even to the calculations of return premiums and additional premiums, the executive added. It is handled in exactly the same way; the policy follows the same route as to underwriting, examination, recording, statistical, and accounting, and the costs of handling are identical up to this point. Additional handling of installment is limited entirely to the accounting and collection of the installments after the first.

"This additional cost," the North America executive said, "is less than 50 cents per policy. Not per collection, but per policy."

Agent Saves on Billing

The agent does have to bill the extra times, in comparison with pre-paid term. In order to minimize agents costs as much as possible, North America sends the agent enough copies of the installments due form so he can stamp his name and use it to bill. However, most of them prefer to use their own bill heads and type off the information from the company copy. It is certainly more economical for the agent and company than the so-called "budget plan" which on a five year basis requires use of five policies in place of one.

The company has not had a single complaint from agents using the plan on increased cost to the agent, the spokesman said.

The question has been raised as to whether carrying unpaid installments as assets in the annual statement does violence to the 90-day balance rule. When the North America plan was submitted in New York, the insurance department commented: "Obviously since such policies are subject to cancellation for non-payment of installments, the asset value of the unpaid installments is offset by the unearned premium reserve which would be released upon cancellation."

On the annual statement balance sheet, liabilities offset assets. The company has cash of the first year premium and four unpaid installments, "which are not over 90 days past due since the first one is due in a year," the spokesman said. The question of whether this showing indicates a company's true strength is academic, since the figure in assets is simply a contra item to offset the money set up in unearned premiums in the liability column. If the installment is not paid, the reserve would be taken down by cancellation.

Business Stays on Books

In practice, insured who has bought a 5-year policy and has to pay only 80% on the next installment instead of the full annual rate is not going to drop the policy as long as he can pay. This has been North America's experience; there has been practically no cancellation of installment term policies. North America regards this as about as certain as that agents will remit the company's portion of prepaid term premiums, and it is certain of that.

In the last depression, there was not so much cancellation of policies as dropping from term to annual contracts, the spokesman said. There were some reductions in amount of insurance, but

Thro and Gregg Are Elevated in West by Crum & Forster

C. G. Thro and R. H. Gregg, veterans in the western department of Crum & Forster, have been named assistant managers there, assisting William A. Seely, who was appointed western manager last week to succeed the late Fred M. Gund.

Mr. Thro is a native of Freeport. He has spent his entire business career with Crum & Forster, having started as office boy and mail clerk in 1913. He has worked progressively in every department in the office, in 1929 becoming agency superintendent. He was later placed in charge of underwriting and will continue in that capacity.

Mr. Gregg, a native of Newman, Ill., started in the business in his father's agency in that city. After service in the first war, he went into the Illinois field with Connecticut Fire, joining Crum & Forster in 1928 as Illinois special agent. He was promoted to state agent in 1931, and in 1946 moved to the western department as superintendent of the farm and hail department where he will continue in charge.

Conveyance Collision Issue

Continental has been held liable by Texas court of civil appeals for damage that was done to a house that was being moved, when a tire on a dolly blew out causing the building to drop and strike the banister of a culvert. Continental insured Paul Griffin, a house mover, against damage to houses while on his truck and in transit. The collision feature was defined as accidental collision of the conveyance with any other vehicle or object.

The insurer argued that since the truck did not collide with the culvert, damage to the house was not covered. However, the court held there was a collision within the meaning of the policy.

little or no cancellation to capture return premium cash.

The criticism that there would be a drop in the agent's annual income as the shift from annual and term to installment term occurs, presupposes again that all policies would be under the installment plan and that the shift would occur all at one time. On the basis of its own experience, North America does not believe this would occur.

Tax Angle for Agents

North America has found the plan popular with agents for income tax reasons; income comes in as agents earn it. This is of course especially important where the agent gets a lot of new business in one year. Also, the agent doesn't have to worry about reserves for return commissions on installment term volume.

North America's spokesman emphasized that its plan is not an annual renewal plan. The North America program calls for a policy identical with prepaid term policies, and the handling costs are the same except for recording installments. The other plan is an annual policy with an agreement to renew at a discount, and the business of renewing by certificate is nearly as costly as issuing a new contract each year.

The North America policy is valid for five years unless cancelled; its cancellation provisions are the same as in other policies. One difference is that the North America installment policy does contain the clause that the policy amount shall not be reduced by reason of loss, and this has been criticized as discriminatory against the prepaid term or annual policy buyer. The spokesman answered that the company makes a charge for this feature, and substantially the same coverage is available for a very modest figure to the annual and prepaid term buyer in unearned premium insurance.

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Third Whisky Loss in Month Estimated at \$2.8 Million

Early reports indicating a loss of about \$1,200,000 on the "B" warehouse of the Kentucky River Distillery, Camp Nelson, Ky., have been revised upward to about \$2,800,000 with the discovery that there was considerable older whisky in the building, representing a more valuable product. This was a 20,000 barrel warehouse containing about 18,000 barrels of various brands that burned on Oct. 20 and was a total loss. Another warehouse and the distillery were not damaged.

The warehouse fire was the second in a month in Kentucky, and those losses coupled with the explosion at Peoria of the Hiram Walker & Sons six-story aldehyde still, have made some of the underwriters jittery. On Sept. 24, 10,273 barrels of new whisky, property of the Seagram interests, burned along with a 10,000 barrel warehouse at Deatsville, Ky., in a total loss. Adjustment on the whisky alone is reported at \$531,000, while the building loss will probably run another \$50,000. This fire and the recent one at Camp Nelson took place in rural territory where there is no, or virtually no fire protection.

The Hiram Walker loss at Peoria will be about \$500,000 on property and the U. & O. loss may equal that figure.

Whisky losses in the month thus total \$4 million.

Building loss in the Camp Nelson fire will probably be better than \$100,000. The building schedule shows about \$110,000 on the destroyed buildings. There was \$451,500 in the overall building schedule, of which American Equitable had \$45,000; Concordia, \$10,000; Fidelity-Phenix, \$70,000; Fulton, \$83,000; Home F. & M., \$113,000; Newark, \$120,000; Norwich Union, \$10,000; Old Colony, \$10,000.

Whisky losses are slow in coming in as much of the whisky was owned by wholesalers and rectifiers in various parts of the country. The distillery program was to produce whisky on contract to large wholesalers or bottlers, including private brand bottlers, with the large majority of production being billed as made and passing into other hands, where the contract owners would of course place their own insurance coverage, resulting in coverage being placed with agents and brokers at various points, with much of it merely being countersigned by agents in Kentucky.

Western Adjustment is handling a sizable part of the loss.

Big Lumber Loss in Utah

The Anderson Lumber Co., Provo, Utah, was partly destroyed by a fire of unknown origin with monetary loss in excess of \$170,000. The property had maximum insurance coverages under a blanket policy which covers other plants in the Anderson lumber organization in Utah and Idaho. The names of the companies concerned were not available immediately.

N.A.I.A. Courses at Seattle

The N.A.I.A. educational courses sponsored at Seattle by King County Insurance Assn. are under way with record attendance in both the indoctrination and standard courses, 100 in the former and 50 in the latter course.

Reed Arkansas Fire Marshal

LITTLE ROCK—Governor McMath has appointed Bernard J. Reed, Lonoke attorney, state fire marshal to succeed the late Lee Baker. Reed is a graduate of Hendrix College, Conway, and University of Arkansas law school. He has been deputy prosecuting attorney of the 17th judicial district. During the war, he was in navy aviation.

Putting Final Touch on Ariz. Plans



The finishing touches were put on arrangements for the convention of Arizona Assn. of Insurance Agents, which was held at Tucson Monday and Tuesday of this week, by the convention chairmen at a breakfast meeting shown here. Left to right the principals are: Bob Marcus, entertainment; Al Kuhn, arrangements; Ellsworth Nehring, reservations; Ken Nehring, state and national director and member of N.A.I.A. executive committee; Dick Drachman, general chairman; Will Howell, Bill Walker and Paul Jones, program, and David Lovitt, publicity.

N. Y. Hearing on Multiple Location Risks Postponed

NEW YORK—The New York insurance department hearing on multiple location risks asked for by America Fore, Loyalty group and Automobile will be postponed. It was originally set for Oct. 31. These companies are appealing from the Escott plan for writing the class which was filed by the New York Fire Insurance Rating Organization and approved by the department.

Currently companies that are employing the Escott plan are using its relief provisions to clear up the large volume of business undertaken in the period when there were no rates or policies. Certain details of the plan have not yet finally been resolved between the rating bureau and the department, such as the experience modifiers.

Denver Company Absorbs Lyons & Johnson Firm

DENVER—Lyons & Johnson has been absorbed by Denver Agency Co. Charles A. Johnson is president of Lyons & Johnson and Myron R. Emrich, president of the Denver company.

Key personnel of Lyons & Johnson will move to newly enlarged offices of the Denver company in the Empire building.

Glenn B. Van Fleet, Lyons & Johnson general manager, will become manager of the real estate loan department of the Denver company.

Lyons & Johnson was the outgrowth of Denver realty and insurance business founded in 1882 by G. C. DeBronckhart and Henry K. T. Lyons. The Denver company will become the local real estate loan correspondent for John Hancock Mutual Life.

Wood to Trenton Post

William M. Wood, marine manager for Atlantic Mutual at Philadelphia, joined the Walter F. Smith & Co. agency at Trenton as assistant secretary in charge of the marine department. He graduated from the commerce school of University of Pennsylvania in 1927 and was with North America in the marine department before going to Atlantic Mutual.

Thomas Denver Speaker

At the October meeting of Denver Assn. of Insurance Agents, Cosby D. Thomas, assistant manager at Denver of Fidelity & Deposit, spoke on "Fundamentals of the 3D Bond."

Dwight P. Ely, production manager of the Ohio Farmers companies, and Ferne Elliott of Columbus were married recently. Mr. Ely was elected president of Insurance Advertising Conference at its annual meeting last week.

G. W. Funk New President of Western Loss Assn.

G. W. Funk, assistant secretary of Great American, was elected president of Western Loss Assn. at the annual meeting to succeed A. W. Kohlhausen,



G. W. FUNK

general adjuster of State Farm Fire. E. W. Gielan, Phoenix of Hartford, is the new vice-president, and H. H. Woodward, Pacific National, is secretary-treasurer.

Named to the executive committee were Mr. Kohlhausen and E. J. Busch, Home.

N. C. Rating Bureau Elects

RALEIGH—J. F. Glass, president Southern Fire, Durham, was elected chairman of the North Carolina Fire Insurance Rating Bureau board at its annual meeting.

New companies elected to board membership are Home, National Fire, National Retailers Mutual and North British & Mercantile.

Louis P. Jervey, America Fore vice-president, was named board vice-chairman, and C. D. Arthur, Great American, Raleigh, was named executive committee chairman. Landon Hill was re-elected manager, and John H. Hutchins and Charles E. Hibbard were appointed his assistants. Col. W. T. Joyner of Raleigh was reelected general counsel.

Others on the executive committee are R. Bruce Crater, Atlantic, Raleigh; T. G. Linthicum, American Eagle, Charlotte, and L. J. Smith, Hartford Fire, Charlotte.

Insurance Women of San Antonio heard a review of the convention of Federation of Insurance Women of Texas at Galveston. The annual dance is being held Oct. 27.

Midwest Prevention Reports Show Increased Activity

Fire prevention work on a greatly increased scale by state fire prevention associations and the fire prevention department of Western Actuarial Bureau is shown in the annual report of those organizations covering the period August, 1948, to August, 1949.

Field men in the 21 states in the Western Actuarial Bureau grouping conducted 98 town inspections with an average reported compliance of 44% on all recommendations, of which there were 52,905. The town inspections produced 458 addresses to 112,790 school pupils and 110 talks to 11,980 adults. Newspaper publicity was widespread.

The 1948 Fire Prevention Week in the territory brought forth 718 addresses to a combined audience of 163,092 persons on the part of the field men and members of the Western Actuarial Bureau staff.

Richard E. Vernor, manager of the W.A.B. fire prevention department, served as national chairman of the National Fire Waste Council fire prevention contest, and five of the six major award winners were in Western Actuarial Bureau territory.

The report notes that the W.A.B. staff had an unusually strenuous year due to the fact that Harry K. Rogers was inactive following an automobile accident. Mr. Vernor and Emmet T. Cox together made 211 addresses to a combined audience of 42,794.

Most town inspections were made in Ohio with 12, followed by Minnesota, Illinois and Missouri with nine each. Minnesota took the lead in the number of risks inspected, with 2,997, and the next four states in order were Illinois, Ohio, Missouri and Indiana. Minnesota also was first in number of risks criticized with 2,564. Next in line were Illinois, Ohio and Missouri. The same order prevailed in total number of recommendations.

In every department, risks inspected, criticized, town inspections made, and recommendations, the past year's total was up considerably from that of 1947.

The annual report also described the special activities in the various states in addition to town inspections.

Prov. Wash. Advances Two in Pacific Department

Providence Washington has made two appointments at San Francisco. Ted Nickerson, agency superintendent, has been named assistant manager of the Pacific department. Succeeding Mr. Nickerson is T. E. Roberts, formerly marine superintendent.

Mr. Nickerson in 1935 joined Johnson & Higgins at San Francisco, and a year later went with the Automobile as a fire underwriter. He then became special agent for the Broderick agency at Portland, Ore. After merchant marine service, he served as special agent in Oregon and Idaho for Providence Washington.

Mr. Roberts began in insurance as an inland marine underwriter and then entered the local agency field in southern California, joining Providence Washington in 1939, as special agent at Los Angeles. He is a navy veteran.

Cosgrove Addresses N. J. Group

Business men should think of safety not only in terms of fire and accident prevention, but also in terms of safeguarding their business operations through insurance protection, John N. Cosgrove, assistant secretary of American, advised the Morristown (N. J.), Kiwanis Club at a luncheon meeting.

Don K. Zimmerman, operator of the Griffith & Baughman agency, Liberal, Kan., has purchased the Wm. T. Holt agency there.

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New Bank Agency Test at Seattle

SEATTLE—Legal right of national banks to engage in the insurance business, directly or indirectly, has been raised again, this time by King County Insurance Assn., which has requested Commissioner Sullivan to cancel the agent's license of Marine National, an affiliate of National Bank of Commerce of Seattle.

This revives the question of participation by national banks in the earnings of an affiliated agency.

The association has filed a brief with Commissioner Sullivan and it is understood the Washington department is looking into the matter. There may be a hearing, unless the bank decides not to challenge the contention of the association.

Marine National has been in operation for many years, but it is alleged that the agency has become more active in recent years.

Office Location Cited

The association alleges that Marine National is an affiliate of the National Bank of Commerce, which is a national banking institution. It is alleged that the agency maintains its offices within the bank and has the same telephone number. The business is "largely, if not entirely" secured through the bank.

The business is "wholly controlled by the bank, as is demonstrated by the interlocking of its directors and principal officers with the directors and officers of the bank," according to the petition. Names of the interlocking directors are cited.

The complaint offers the following reasons for revoking the license:

The federal reserve act authorizes national banks in towns of not more than 5,000 to act as agents, thus barring national banks from serving in such capacity in towns of over 5,000.

It is improper for a bank to receive profits of an insurance agency operated through an officer of the bank in case the bank itself does not have legal right to act as an insurance agent.

Michigan Case Recalled

Operation of an agency by a bank through a subsidiary or affiliated corporation is illegal. In this connection the case of Washington Agency vs. Forbes, 309 Mich. 683, 16 N.W. (2) 121, was cited. In this case the Michigan commissioner's right to terminate the license of the Industrial National Bank of Detroit was challenged. The bank operated an affiliated agency. The court, in holding with the Michigan commissioner, said there was "competent testimony to indicate that plaintiff is organized under a plan by which the executive officers of the bank have entire control over plaintiff's operation, for the financial benefit of the same persons who are the bank's stockholders."

The King County association petition states:

"In conclusion, since a national bank in a big city cannot engage in the insurance business as an agent, either directly or through its officers or a subsidiary or affiliated corporation, any such subsidiary or affiliate is disqualified from holding a license as an insurance agent."

Coincident with the filing by King County association of the complaint against the agency, the association also asked Commissioner Sullivan to revoke the broker's license held by Seattle Trust & Savings Bank.

The latter institution is a state bank. The association alleges that Seattle Trust & Savings, not being empowered under its articles of incorporation to act as a broker, is not qualified to be licensed under the insurance code.

The association quoted the articles of incorporation of the bank to show that it is not empowered to engage in the insurance business.

Statute expressly prohibits a bank

New Ordinary Mail Coverage

NEW YORK—The Inland Marine Insurance Bureau has assumed jurisdiction of coverage on transmittal of securities by ordinary mail, and is issuing the new forms and rates. A small amount of this business previously had been written.

The new coverage answers a demand by banks and brokerage houses because of the high cost of government registered mail and surcharges. For example, it costs \$190 to send \$1 million worth of securities from New York to Chicago by registered mail. More and more brokerage houses have turned to the use of ordinary mail to hold down costs.

The new policy will cover negotiable and non-negotiable securities, except governments. The rates will be from 2½ to three times higher than those for registered mail.

Larson to Conduct Review on Installment Financing

TALLAHASSEE — Commissioner Larson will review the question of financing installment premiums on three- and five-year fire and windstorm policies at a public hearing here Monday, Oct. 31.

Specifically he will hear a request of Southeastern Underwriters Assn. for permission to cut annual premiums after the first year to 78% of the first year's premium. Installment payments after the first year now are set at 80% of the first year's premium.

In addition, he will hear discussions on all fire, windstorm and extended coverage financing plans, whether on the five-year term basis or annual term basis with option to renew for additional annual terms.

New Haven Assn. of Insurance Women started its fall insurance classes Oct. 24. First course is fire insurance. Henry Steeneck, state agent for Home, is discussion leader.

from serving as an insurance broker or agent, the complaint alleges. The allegation is that while specific reference is not made prohibiting a bank from serving as a "broker," a broker is an agent within the contemplation of banking laws.

If its contention is not sustained, the association believes that the license should be suspended because nowhere in the banking statutes of the state is found authority for a big city bank to engage in the business as a broker.

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Accountants Study Many Changes Confronting Them

About 175 attended the annual conference of the Insurance Accountants Assn. in Boston, one of the best crowds in the history of this affair. In addition to the association's annual banquet, the Boston companies were hosts to the entire attendance at a dinner. The companies include Allied American Mutual, American Mutual Liability, Arkwright Mutual, the Boston, Boston Manufacturers Mutual, Cotton & Woolen Manufacturers Mutual, Employers Fire, Fireman's Fund, Joseph Froggatt & Co., Middlesex Mutual, Providence Washington, and Springfield F. & M.

G. R. Ladner, Security of New Haven, said that accountants are faced with greater responsibilities. These call for development of more accountants who are true executives, free from daily routine and capable of coping with each new problem as it arises. They call for training by individual companies of accounting staffs in the basic principles of cost accounting, the broadening of the educational base of accountants and accounting staffs to include the fundamentals of fire, marine and casualty coverages. Also, the need is for more intensive and effective work by the functioning committees of professional organizations such as the Insurance Accountants Assn., and a freer interchange of ideas between that organization and kindred professional organizations in fire and casualty.

Three Major Developments

He cited regulation 30—uniform accounting, multiple line underwriting, and installment premium plans as three changes which have had a profound effect on accounting.

Today, term business written for three or four years accounts for about 67% of each year's premium income for the entire fire industry, he said. If deferred premium plans spread to all states, it is conceivable that term business may increase to as much as 85% of total annual income of the companies. This increase will be accompanied by the virtual elimination of the three year term with all term business being written for five years.

Should such business be treated as annual with initial cash or one annual premium entered at inception, with subsequent entries annually on each anniversary for the installment then due, he wondered, or shall such business be written as term with the entire five year policy premium entered at the inception of the contract? There are disadvantages to both proposals. Treating installment business as annual business is bound temporarily to affect the companies' premium income accounts, which in turn will affect the companies' expense ratios—first as to increased handling cost and second as to decline of premium income. Treating installment business as term imposes a strain on surplus because of premium reserves. The installment plan also creates a collection problem, affects the handling of reinsurance, influences loss ratios, and brings up the possibility of using five year term premium as the principal unit of measuring rating plans.

Statistical Plan for Installment

Everett C. Potter, accountant of the National Board, said that paragraph 12 of the statistical plan for earned premiums and incurred losses, under the caption "how to report premiums and losses on policies at other than manual rates", mentions term policies payable in annual installments and one year policies with option to renew at reduced rates. The rule is that companies should report these premiums in accordance with treatment accorded them in the annual statement, page 2.

However, Mr. Potter said, this instruction should be amplified because new installment premium payment plans have been adopted and filed as regular

or optional or compulsory plans by several of the boards and bureaus. In such instances, for purposes of the National Board statistical plan, it has been decided that such experience should be reported as 100% of manual. However, if any company adopts and files a plan of its own differing from the plan of

the bureau having jurisdiction, that is a horse of a different color. In that case companies should determine the percentage of manual premium according to the circumstances involved and report such premiums at such percentage or percentages as they may determine to be correct.

SCHEDULE P

A schedule as important in the annual statement blank as is P, which has been the target of constructive criticism

for 20 years, should be revised if confidence in insurance accounting is to be maintained, Commissioner Harrington of Massachusetts declared. Actuaries and organizations have made reports on the matter, but none has resulted in affirmative action. The necessity of changing state statutes does not present an insurmountable hurdle, if a constructive, comprehensive program is presented and is endorsed by technical organizations like the accountants, as well as by the commissioners.

The schedule is important also because of federal income taxes, he said.

(CONTINUED ON PAGE 13)

Thomas Jefferson
on March 4, 1801 said...



"Government should restrain men from injuring one another, but leave them otherwise free to follow their own pursuits of industry and employment"

By living Thomas Jefferson's kind of democracy, the American people have achieved a moral spiritual stature—a standard of physical well-being—far beyond any nation in history. Today there are those who claim to follow in the footsteps of this great champion of the rights of man—yet their ideas of government are completely opposite to his beliefs, so clearly stated above.

It is impossible to believe that the American people are prepared to discard the fundamental beliefs of their nation's founders—or that they are ready to abandon the right to "follow their own pursuits of industry and employment" in exchange for the vague security of an untried planned economy.



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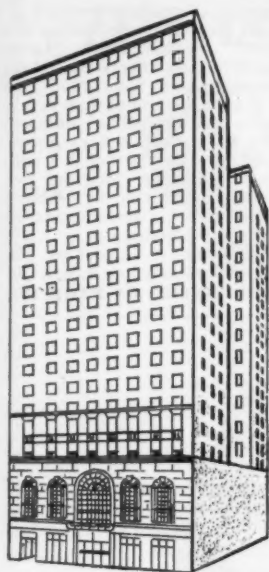
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Ivan Escott (left), executive vice-president, and Harold V. Smith, president of Home, are shown conferring with Charles Champion, supervising chef of the new dining room for Home employees at 59 Maiden Lane, N. Y. The three were conferring before welcoming more than 200 workers who had helped construct the dining room.

Ontario Agents Reelect Carl Seibert President

Carl E. Seibert was reelected president of Ontario Insurance Agents Assn. at its annual convention at Toronto. Vice-presidents are F. E. Coyne, F. C. Eagle and R. Philpot.

Mr. Seibert reported that members in 1948 produced about \$55 million in premiums, excluding A. & H. This was about 60% of the total premiums written in the province, he said.

A resolution passed by the agents a year ago which asked the Ontario department to consider the elimination of part-time licenses in areas of 2,000 population and over, was referred to by Mr. Seibert. The department has agreed, Mr. Seibert said, to amend the part-time rule so that it applies to centers of less than 5,000. Those persons at present licensed in places of 5,000 to 10,000 shall be required to come into the insurance business on a full-time basis within two years of the time the ruling comes into effect or surrender their licenses, he added.

An agency management course for fire and casualty agents similar to that conducted by National Assn. of Insurance Agents will be held next July at Western University, London, Ont., providing more than 40 agents register, Ivor Brake, manager of the association said.

Dallas Women Name Chief

DALLAS—Miss Mildred Ludlum of Highfill, Gullidge & Terry has been elected president of the newly-organized Dallas Assn. of Insurance Women.

Mrs. Thelma Switzer of the same agency is first vice-president; Mrs. Lorena Norris of Seay & Hall, second vice-president; Mrs. Lois Rhodes of the W. A. McKinley agency, recording secretary; Miss Beatrice Greenfield, Simons agency, corresponding secretary; and Miss Elizabeth Van Gordon, Cochran & Housemen, treasurer.

3,250 in Employee Stock Plan

Approximately 3,250 employees of North America, including officers, of whom three are directors, will be eligible to participate in the stock subscription plan of the company to purchase shares at 20% below market when the stockholders authorize an increase in capital from \$15 million to \$30 million.

The stock offered to employees will not participate in the proposed stock dividend of one for five. No employee will be permitted during any year to subscribe for stock at the subscription price to exceed 20% of his annual salary, or more than 50 shares. Employees with two or more years of service will be eligible.

Show Fire Resistance of Spun Glass Products

To promote interest in the fire-resistant qualities and other properties of spun glass in a wide variety of applications, the Owens-Corning Fiberglas Corp. gave a luncheon and demonstration in Chicago for the daily press and interested trade journals.

Dramatic stunts showed how Fiberglas materials, fabricated into air filters, sheer curtains, aircraft insulation, acoustical tile, reinforced plastics and roof insulation and many other products, resist fire and insulate against heat.

From a fire safety standpoint, one of the most impressive uses for the spun glass is in curtains, drapes, table covers, and other types of fabric which are as handsome as silk but completely fireproof.

Rename Chicago Law Firm

The insurance law firm of McKinney, Hough & Carlson of Chicago, has been dissolved and a partnership has been formed under the name of McKinney & Carlson. The partners are Hayes McKinney, C. Oscar Carlson, John H. Smalley and Jeffrey Shedd, and the offices are at 15 West Adams street.

"Insurance Book Reviews," the special service published and edited by the insurance group of Special Libraries Assn., lists current publications in all fields of insurance. Hazel K. Levins, librarian of Mutual Benefit Life, Newark, is editor.

R. M. L. Carson Glens Falls, state national director of the New York Agents association, will address Richmond County Assn. of Local Agents at St. George, S. I., Friday.



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Wage and Hour Changes Will Add to Insurer Costs

Fire and casualty companies are giving preliminary consideration to the effect the increase to 75 cents in the minimum wage will have on their costs. So far, the only conclusion appears to be that the effect will vary widely across the country. Companies in smaller locations, and in those sections where weather and other factors hold down the cost of living, will be hit much harder than insurers in large metropolitan centers where the going rate even for office boys is equal to or not much less than the new minimum.

Minimum annual salary under the bill that Congress sent to the President will be \$1570. This may add thousands of dollars to the payroll for a few companies; for example, if the insurer used a great many youngsters just out of high school, full time, as clerks.

Regulations More Important

Of more concern to the insurers, however, are the proposed changes in the wage and hour regulations, particularly the definitions of "white collar exemptions." The rules currently define employees in an executive capacity as those earning \$30 a week or more, plus certain other qualifications; and administrative and professional employees as those earning \$200 or more a month (except that lawyers and doctors have no salary test).

Under the proposed changes, which are expected to be approved by the administrator of the wage and hour division, the executive's salary is increased to \$55 a week and administrative and professional workers to \$75 a week, with a 52 week base.

Most insurance company workers that fall in the "executive" class are inside employees whose hours are regular. But the administrative class catches the outside employees—such as inspectors, payroll auditors, adjusters, and possibly some field men. Their hours fluctuate.

Weather Induces Overtime

Those whose salaries do not reach the above standards must be paid time and a half for overtime. Adjusters, for example, especially those in the early months of their employment, might not meet the salary test for administrative personnel. Yet an automobile adjuster during a sleety week might be working very long hours.

One thing the new minimum wage and the proposed regulation changes are likely to bring about is a closer control of hours of outside men by companies, where that is possible, especially in the larger centers. It may not be so easy where the man is working in less populated sections over larger territory.

There is a provision in the minimum wage bill that clarifies the authority of the administrator to sue for back wages on behalf of the employee. If a back pay suit is won by the employee, he gets twice the amount of back pay held to be due.

The bill would legalize the Belo type contract, under which the employer and employee can by contract set an hourly wage with a weekly minimum guarantee. This was designed for employment where hours fluctuate, and insurers might possibly employ it.

The 75 cent minimum, or \$30 a week, will add to the costs of operation in the less populated areas, but is not expected to require additional salary payments for many agencies in the larger cities.

Cincinnatians to Hear Dakin, Honor Safford

CINCINNATI—Karl Dakin, Lebanon, past president Ohio Assn. of Insurance Agents, will speak on farm underwriting at the meeting of Cincinnati Fire Underwriters Assn. here Nov. 10. Theodore Safford, past president

Cincinnati board, who just retired as district trustee of the Ohio association, will receive his certificate of appreciation at this meeting. Because of illness, he was unable to be at the state association meeting at Dayton last week, where the certificates were awarded.

Past President Frederick Rauh, chairman of the Cincinnati board finance committee, will present a new financing plan, which is expected to be voted on at this meeting. Vice-president H. P. Sweeney is chairman of the program committee.

Ancient Firemen Meeting

PHILADELPHIA — The annual meeting and dinner of the Ancient Firemen, head office employees of Fire Assn. for 25 years or more, was held at the Warwick hotel here. The 37 members were guests of President Frank H. Thomas. The other chapters, in Atlanta, Chicago and San Francisco, are meeting this week or next.

Louis Antoine, St. Louis manager of American Automobile, will address the Cooperative Club Oct. 27 on "Drunken Drivers." His address, under the auspices of the Insurance Board of St. Louis, is part of a campaign against reckless drivers.

W. G. Bayliss, Aetna Western Officer, Soon to Retire

William G. Bayliss, assistant western manager of Aetna Fire, with Mrs. Bayliss has gone to Winter Park, Fla., for an extended stay. He has accumulated considerable vacation time, so he is officially still an assistant manager. However, at a date early next year, yet to be decided upon, he will go on the retired list and he does not intend to return to the office prior to that time.

Mr. Bayliss was born at Lloyds, Va., in 1883 and in 1907 he was connected with U. S. Engineers Corps, engaged in lock and dam work. In 1908 he went with the old Ohio and West Virginia Inspection Bureau and remained there until 1918. At that time he formed his connection with Aetna Fire and traveled in the Ohio field until he was brought into the western department as assistant manager in 1929.

Ewin L. Davis, member of the federal trade commission who died at the

Bethesda naval hospital at the age of 73, will be remembered as the man that gave the opening talk at the FTC hearing at Chicago on proposed rules for mail order insurance. He was a brother of the late Norman Davis, one time head of American Red Cross.

Ohio Gets New Midwest Form and Rule Changes

The form and rule changes adopted in Ohio this week follow those put into effect in seven or eight other midwestern states within the past two months. The changes include the new \$500 automatic reinstatement clause and the new extended coverage endorsement on the dwelling form that are effective on all classes.

Some of the other changes include: On automatic sprinklered risks notification to the inspection bureau instead of reporting to the company on changes; a brand and label clause; business interruption changes providing for handling blanket interstate contracts; a pro rata reduction in amount of insurance wherein the principal difference is the allowance of pro rata reductions up to 50% when the policy covers stock and machinery, for example, or all contents.

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the occupants. There was no damage to the freight car.

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Tenn. Agents Meet at Chattanooga

CHATTANOOGA — Early arrivals indicated a large attendance for the annual meeting here Thursday and Friday of Tennessee Assn. of Insurance Agents, for which a notable program has been arranged. The convention theme is "The Insurer and the Future." Walter Greenspan is general chairman of the local convention.

The executive committee, meeting Wednesday, discussed the fire rate case now pending in Davidson County circuit court, a second proposed rate reduction recently recommended by the Tennessee department, and the casualty rate hearing scheduled at Nashville Nov. 15. President John B. Bailey, Knoxville, presided.

In the afternoon talks are to be given by John H. Eglof of Travelers on "Today's Agent—Symbol of Service and Immortality"; M. O. Allen, Tennessee insurance commissioner; John N. Cosgrove, public relations director of American, on "A New Approach to Insurance Education." The banquet will be held Thursday evening.

On Friday the meetings will be started with a breakfast forum for farm and small town agents at which Bert R. Walinder, secretary of America Fore,

will speak. Arch E. Northington, chairman of the small town agents committee, will preside.

John P. Butler, executive vice-president of N.A.I.A., will make the opening address at the general session. Talks will be given also by Philip G. Butler, manager of the southeastern marine department of Automobile, on "Miscellaneous Marine Lines," and by S. L. Love, manager of the compensation and liability department of Royal Indemnity, on "Storekeeper's Liability." A representative of Provident Life & Accident will give a comparison of stock company hospitalization vs Blue Cross.

Buyers Hear Winslow

Robert L. Winslow, Jr., of T. H. Mastin & Co., Kansas City, spoke on "Testing Insurers' Financial Strength" at a luncheon meeting of the St. Louis Insured Members' Conference of the Associated Industries of Missouri.

Marshall B. Dalton, president of Boston Manufacturers Mutual Fire, Boston, Mass., spoke at a meeting in Milwaukee of the Wisconsin alumni of Massachusetts Institute of Technology, explaining the institute's expansion plans. Philip N. Cristal, director railroad bond research of Northwestern Mutual Life, was chairman of the Milwaukee alumni committee in charge of the dinner.

Hallett Analyzes Social Security Bill

"The greatly expanded social security bill passed by the House two weeks ago cannot be considered apart from pressures all over the country for 'security' in one form or another," James B. Hallett, general counsel National Assn. of Life Underwriters told Hartford Life Underwriters Assn.

Stating that "such phrases as 'the welfare state,' 'the road to socialism,' 'the end of free enterprise' are generalities that can lead to confused thinking and don't convince a congressman anyway," he traced the economic and political trends which have changed thinking on social security problems since 1935.

"This new bill," Mr. Hallett declared, "is a partial attempt to solve pressures indicated by current strikes over contributory or non-contributory pensions; it is affected by the dispute over miners' welfare fund on which the payments have stopped; it is affected by the fact that old age assistance payments bring more dollars than old age pensions, and it is affected by the 1950 elections," he said.

Comparison Favorable

"When we compare this bill with the bills introduced last January, you can see that it is not completely bad. Many of the intelligent changes," he pointed out, "are due to the representations before Congress of the life insurance industry."

"The bill," said Mr. Hallett, "is far from being law. We shall continue our efforts to eliminate those items which we feel are dangerous to the future security of the system because they cost too much and because they are highly susceptible to political abuse."

"One is the increase of wages subject to tax from \$3,000 to \$3,600. This violates the original subsistence level theory," stated Mr. Hallett. "Also, there is the provision for lump sum death benefits on every death. Another is the provision for total and permanent disability benefits."

"Congressmen and their committees," Mr. Hallett concluded, "are honestly seeking information on the legislation they are considering and welcome knowledge of how that legislation will affect their constituents. You must bring your views to the attention of your congressmen."

Early Hearing Expected by Dearborn National

LANSING — Early hearing is expected in Wayne circuit court, Detroit, on additional proofs filed by the attorney general's department in defending an action against Commissioner Forbes, brought by Dearborn National and Dearborn National Casualty, Detroit, seeking to set aside Forbes' order that they divest themselves of certain securities.

The Commissioner issued an order in May, 1948, that the companies, controlled by D. F. Broderick, eliminate from their investment portfolios securities of other Broderick enterprises.

The case has been heard in part by Judge Mahar of the Wayne court but the admission of the added proofs was approved by stipulation and new testimony was taken from a New York actuarial expert, together with several

statements and charts. John Higgins, counsel for the Broderick interests, has been given until Nov. 15 to file briefs, and Maurice Moule, assistant attorney general representing the Michigan department, will have time to prepare and file reply briefs, after which a date for arguments will be fixed.

Two statutory violations are charged by the commissioner, one involving the diversification law which bans investments of more than 10% of a company's capital in any single enterprise, and the other prohibiting officers or directors of companies from having pecuniary interest in company investments.

Seminar at U. of Minn.

University of Minnesota announces a seminar on property and casualty insurance to be held Nov. 7 at the center for continuation study on the Minneapolis campus. It is being presented with the cooperation of Minnesota Assn. of Insurance Agents, N.A.I.A. and the university school of business administration.

Time element coverages and inland marine insurance are the two subjects to which consideration will be given. Registrants will be expected to enroll in and complete one of the two subjects.

The seminar is open to licensed agents or persons in the insurance business with experience which in the eyes of the admissions committee would be the equivalent of the experience necessary to gain a license. The registration is \$10, which includes necessary textbooks.

New Courses at U. of Wis.

MADISON — Two new fire and casualty courses have been added to the correspondence studies list by the extension division of University of Wisconsin. Both courses are suited for sales people, home office employees, and students desiring preliminary insurance training.

Dithmer Gives 2 Talks

DETROIT — Walter G. Dithmer, field supervisor Western Underwriters, Chicago, was the guest speaker at the Michigan Fire Underwriters Assn. luncheon, and on the following day addressed the board meeting of the Detroit Assn. of Insurance Agents.

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	Div.	Bid	Asked
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Aetna Life	2.50*	69	71
American Alliance	1.10*	24 1/2	25
American Auto	1.60	48	Bid
American Casualty80	14 1/2	15 1/2
American (N. J.)90	21	22
American Surety	2.50	59	61
Boston	2.40	66	68
Camden Fire	1.00	21 1/2	22 1/2
Continental Casualty	2.00	58	59 1/2
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Hanover Fire	1.40	33 1/2	35
Home	1.50*	32 1/2	33 1/2
Ins. Co. of No. Am.	3.50*	116	118
Maryland Casualty50	16 1/2	17 1/2
Mass. Bonding	1.60	29 1/2	31
National Casualty	1.45*	29 1/2	31
National Fire	2.00	56 1/2	58
National Union Fire	1.40	27	28
New Amsterdam Cas.	1.20	38	40
New Hampshire	2.00*	45	47
North River	1.20*	27	28
Ohio Casualty	1.20	52	Bid
Phoenix, Conn.	2.00*	96	98
Preferred Accident		4 1/2	5 1/2
Prov. Wash.	1.40*	35	37
St. Paul F. & M.	2.25*	95	97
Security, Conn.	1.40	26	28
Standard Accident	1.45	35 1/2	38
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Travelers	2.20*	795	805
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Nebraska Agents in Session at Lincoln

A large attendance was on hand for the convention at Lincoln this week of Nebraska Assn. of Insurance Agents. It was held in conjunction with a fire and casualty institute conducted jointly with University of Omaha and Nebraska Fire Underwriters Assn.

Herbert R. Walt, Lincoln, in the presidential report stated that there are many pressures against the agency system and that the kind of service which provides the worth of the system is not sitting behind a desk mailing out renewals. "Everybody wants to get into the act," Mr. Walt said. "Automobile dealers, grocers, farmers, lumbermen and a host of others, are obtaining insurance licenses for the purpose of saving the commission or mildly coercing their customers into buying insurance. And this condition will continue to exist as long as the price of a license is \$2, a good moral character and three signatures.

"The direct writers are increasing in number. They offer insurance 'whole-sale' to these buyers who are more interested in the price tag than in the quality of the product. The absorption of the producer's commission gives them a great competitive advantage. . . Certain developments during the past year have pointed out that rate wars are not entirely without possibility. If economic events show a tightening up, they may become a reality," Mr. Walt said. He implied that among agencies is the first place the companies will look for reducing costs and said that only through teamwork, through trade associations can the insurance agent fight back.

Though the association's qualification bill was killed in committee during the last session of the legislature, President Walt indicated that some of the elements which fought the association before are now willing to assist in drafting a bill for the next session. He reported considerable sentiment for the enactment of a bill which would deny a license where the principal amount of business would be on property for which the proposed licensee was the vendor.

Other committee chairmen to report included: Fred A. Eiche, Lincoln, accident prevention; George A. Ayers, Wahoo, bulletin advisory; Robert M. Byrne, Omaha, conference; T. T. Varney, Jr., Broken Bow, education; John Alden, Kimball, farm and small town agents; Alfred E. Becher, Columbus, fire prevention; G. B. Joyce, Lincoln, legislative; Warren R. Barney, Kearney, membership, and Lawrence Rossiter, Hartington, public relations.

Martell Explains Marine Forms

Charles Martell, general agent of the marine department at Chicago for Fireman's Fund, explained a number of the inland marine floater policies and gave some pointers on how they can be applied to various risks.

Mentioning the personal property floater, Mr. Martell said that underinsurance has played a large part in the poor experience on this form. As an example he cited water damage loss on property in an insured's basement. The loss was about \$6,000 and the policy was written for \$8,000. Checking the value of the household goods and property disclosed a fair estimate of value of \$35,000.

The producer is largely to blame in these cases because he should have some fair idea of the values involved, and if not, should suggest an appraisal to safeguard the insured's interest. In soliciting PPF, many agents nowadays are forgetting about the requirement of 80% to value and will order a policy for the full amount of the assured's estimate on the theory that the estimate is probably low anyway, Mr. Martell said.

Experience under the laundry and dry cleaners form has improved in the last few years, probably because under-

writers generally have set up a more equitable basis of rating, Mr. Martell stated. More emphasis has been placed upon exposures and practical safeguards. The laundry coverage has produced better results because there is less hazard from the burglary standpoint. The dry cleaner's policy does not cover furs or garments trimmed with fur and accepted for storage. Such coverage must be written under the furriers customer's policy separately.

Every individual or concern having in their custody or control property belonging to others is a prospect for marine coverage, not only in transit, but on location away from the owner's premises, Mr. Martell declared. Among this classification he mentioned foundries having in their possession patterns belonging to others, frequently running into large values; processors or concerns doing part of the work on property belonging to others. Property of others is many times overlooked in the insurance plan of a prospect who is usually interested primarily in protecting his own property. Overlooking bailee risks and property away from the

premises frequently results in severe disappointment to the assured.

In recent years, expansion and moving on the part of manufacturers of a great deal of machinery has brought the transit policy to the front ranks. This is a form that can be extended to cover the risks of loading and unloading and installation. These risks, Mr. Martell pointed out, are not confined to larger cities, but are found in the smallest towns where there is manufacturing of any kind. He gave as an example the installation of machinery in a river dam that will run approximately \$12 million in value. The contractor must provide insurance and the transit policy will commence at delivery by the railroad to the contractor near the site of the dam and cover until installation and acceptance by the owners.

Field Is Unlimited

Mr. Martell stated that practically every property owner in the country can be interested in some form of marine coverage. Business could not be

conducted on the scale that it is today without the various marine contracts in existence, he pointed out.

Herman C. Wolff, Indianapolis, a member of the executive committee of the National association, reviewed the accomplishments of N.A.I.A. and discussed the problems that confront the agents today. He said that commissions have claimed a large amount of concentrated attention, but added that he feels the place of the agent is secure. The agent, he said, is the buyer of insurance coverage for individuals—a retailer of insurance.

Mr. Wolff noted that the business is subject to closer scrutiny and supervision by state and federal authorities, and the agents must be alert to this problem and prepare themselves, not to defend, but to justify to legislators and supervising officials, the proper amount of compensation for services rendered.

The outstanding activity of the National association, the speaker stated, is the "letters for freedom" campaign and he urged every agent to take up the cause with enthusiasm.

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106 1/2	108 1/2
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32 1/2	34 1/2
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27	29
52	Bld
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65 1/2	67 1/2
22 1/2	24 1/2

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Minnesota Federation Names C. W. Hall as President

ST. PAUL—C. W. Hall, president of Northwestern Fire & Marine, was elected president of Insurance Federation of Minnesota at the annual meeting. Leroy D. Engberg, local agent, St. Paul, and Tom von Kuster, insurance manager for David C. Bell Insurance Company, Minneapolis, were elected vice-presidents.

George W. Wells, Jr., vice-president Northwestern National Life, retiring president, and Ronald M. Hubbs, assistant to the president of St. Paul Fire & Marine, were elected on the executive committee. Jesse Bradley, Duluth; George L. Gilpin, Albert Lea, and E. D. Swanberg, Worthington, all local agents, were elected directors.

Guest speaker was Dr. Laurence Gould, president of Carleton College, Northfield.

Secretary Clyde Helm reviewed the history of the federation and pointed out that four of the first members of the executive board in 1914 are still living and three of them are active in the business. They are Lane MacGregor, Duluth local agent; Wirt Wilson, Minneapolis local agent; C. E. Learned, Jr., St. Paul, life agent, and Byron H. Timberlake, Minneapolis life agent.

In its 35 years of service, Secretary Helm said, the federation has successfully opposed measures that would have established state funds, placed additional taxes on insurance, restricted the operation of the business in numerous ways,

interfered with the existing investments of insurance companies and placed undue burdens on policyholders and those engaged in insurance underwriting.

Retiring President Wells cited the accomplishments of the federation during the two years he has served as president and stressed its usefulness to all branches of the industry.

Harris of Minn. Draws Lessons From Windstorm For Duluth Association

DULUTH—Commissioner Harris of Minnesota told the Duluth Underwriters Assn. that the recent costly windstorm in Minnesota underscored several insurance lessons. It emphasized that excess catastrophe insurance cannot be underwritten on a given area where one single disaster can result in prohibitive rates for an indefinite period. He commented that rates for wind and hail perils must be maintained on a state basis in order to protect property owners against high rates.

Commissioner Harris stated that his department was besieged with calls about the unfairness of insurance company allowances and offers made for damaged roofs. "From the numerous complaints we could not help but detect the need for improvement in sales and service dealing with depreciation at the time of the insurance presentation," Mr. Harris said.

He testified that in one case a policyholder carried \$1,000 windstorm coverage for 30 years without a loss and said the company is now insisting on increasing it to \$6,000. He added that a better presentation of coverage and rates will minimize some of the wrong thinking about the industry.

It was the opinion of Mr. Harris that until the uniform statistical plans have had an opportunity to measure experience over a five-year period, it would be just short of suicide to order arbitrary rate adjustments. He indicated that when the uniform statistical plans have had this testing period, many of the answers that are sought will be statistically supported at last.

Des Moines Schools Turn Over Coverage to Agencies

DES MOINES—The Des Moines school board voted to adopt an insurance plan which takes out of operation a \$200,000 fire insurance fund it has held for several years under a "self-insurance" plan.

Under the new plan, all of the insurance on school property will be handled through policies placed with Des Moines agencies. The plan calls for an increase of \$3,939,065 in fire insurance on Des Moines public school buildings and their property. The insured value was increased from \$8,837,655 to \$12,776,730. Premiums payable Nov. 1 will amount to \$20,902. One-third of the policies will fall due each year.

May Survey Omaha's Needs

OMAHA—Insurers of Omaha, of which George A. Baker is president, told Finance Commissioner Carl Jensen they are willing to undertake an over all study of the city's insurance needs. They will do it without cost—but only if they get the business for their efforts. It would be split among 60 member agencies.

Mr. Barker pointed out that similar arrangements have been worked out with Metropolitan Utilities district, Omaha Public Power district, school

board and University of Omaha.

He said a study by an outside firm would probably cost \$15,000 to \$20,000.

Clinics Held in Michigan

LANSING—Eleven regional insurance clinics conducted by the Michigan State College extension department with the assistance of Michigan Assn. of Insurance Agents and the Michigan department recently were concluded. They drew an attendance of 500, including agents, office personnel and prospective agents.

Instructing the clinic were Waldo O. Hildebrand, secretary-manager, Michigan Association; M. J. Pierce, manager, of education of Standard Accident, Detroit; Basil Jones, Hartford Fire, Marquette; Robert Foster, Michigan Fire and Marine; Sam Gray, New York Underwriters, Grand Rapids; Craig Cunningham and William Ozanick, Zurich companies, Chicago; J. G. Sharpe, Commercial Union, and Roland Lang, Hartford Fire, Jackson; Sheldon Pond, American Surety, W. L. Scholfield, National Surety, E. A. Taylor, Fidelity & Casualty, C. C. Iuppenplatz, Crum & Forster, Detroit; Robert Higbe, Hartford A. & L., Escanaba.

A short course is to be held at the college the week of Nov. 5, with many of the same instructors.

Agents Fete Fire Chiefs

DETROIT—At the October meeting of the Wayne County Assn. of Insurance Agents, fire chiefs of surrounding districts were guests. John R. Horn, manager Travelers Fire, was speaker and showed a fire prevention film.

Helm to Speak in N. D.

Clyde B. Helm, secretary of Insurance Federation of Minnesota, will address a meeting of Insurance Federation of North Dakota at Bismarck Nov. 10. This will be the first meeting of the reorganized North Dakota federation of which Arthur C. Ulseth, North American Life & Casualty, Grand Forks, is president, and Claire Simpson, Fargo, secretary.

Thomas Larkins, Milwaukee, special agent Hartford Fire, spoke on "Competition" at a dinner meeting of Jefferson County Assn. of Insurance Underwriters at Fort Atkinson, Wis.

EAST

Agency Partner Honored For 25-Year Service

NEWARK—W. Burton Salisbury, partner in the O'Connell & Salisbury agency of New Brunswick, N. J., was guest of honor at a luncheon marking his twenty-fifth year with the firm.

The luncheon was tendered by field men and officials of companies represented by the agency, with George Martin, New Jersey state agent for New York Underwriters and Joseph E. Ward, assistant manager of the New Jersey department of Bankers Indemnity, as co-chairmen. Mr. Salisbury was presented a watch.

Mr. Salisbury is a member of the executive committee of New Jersey Assn. of Insurance Agents and the executive committee of the Middlesex General Hospital of New Brunswick. He is also a director of the People's National Bank of New Brunswick.

Erie Association Installs

Erie (Pa.) Assn. of Insurance Agents installed new officers at a dinner meeting. Installed were: President, Kenneth Smith; vice-president, George K. Frank; secretary-treasurer, M. A. Mattis.

Buyers' Clinic Scheduled

Education will be stressed in one session of the Maryland Assn. of Insurance Agents annual convention in Baltimore, which will include a buyers' clinic. Stuart Windsor, chairman, has announced that reservations for the meeting may be made directly with the Lord Baltimore hotel.

Wheeling Adjuster Group

An organization of adjusters in the area of Wheeling, W. Va., has been formed with J. A. Smiley of Travelers as president. A name has not yet been selected for the group. Meetings will be held monthly and the next gathering is Nov. 14. Vice-president is J. N. Neilly of the Neilly-Ulrich Co., and secretary is William T. Nickerson of John Roane, Inc. Sixteen attended the organization meeting.

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IN THE SOUTHERN STATES

Arkansans Can't Blame Slow Train

LITTLE ROCK—Officers and executive committee of Arkansas Assn. of Insurance Agents received a rude shock.

Since May the association had been planning enthusiastically and meticulously for celebrating its 50th anniversary in May, 1950. A committee of three past presidents—Roy Donham, Little Rock, chairman, L. R. Martin, Pocatonton, and C. C. Mitchener, Marianna, had been appointed.

The committee, with the former association manager, Henry A. Ritgerod, Little Rock, doing research, had started compiling a historical treatise on the founding of the organization. Announcement of the coming anniversary had been sent country-wide.

But last week Chairman Donham arose before the executive committee and with a half grin, said:

"Gentlemen, I hate to tell you this. But come next May we will be only 49 years old. Our 50th birthday won't come until May, 1951. We were founded June 12, 1901."

Va. Regional at Roanoke; Plan Fire Dept. Contest

ROANOKE, VA. — Agents from Roanoke and nearby areas attended an all-day educational meeting here sponsored by Virginia Association of Insurance Agents.

Frank E. Kinzer of Covington, president of the organization, spoke on "What the Virginia Association Is Doing". Other speakers at the morning session were Richard H. Mullikin, Roanoke, chairman of the education committee; Harry W. Melville, vice-president of American, and E. T. Jarnette of Richmond, past president of the association. The talks were followed by an open forum discussion.

In the afternoon, L. O. Freeman, manager Virginia Insurance Rating Bureau, spoke on "The Rating Bureau," with open forum following. S. L. Love, manager compensation and liability department of Eagle-Globe-Royal Indemnity, talked on "Comprehensive General Liability Insurance."

Directors of the association held a quarterly meeting following the conference, at which plans were made for a fire prevention contest among city fire departments in Virginia, proposed by John Cahill, Jr., Norfolk, chairman of the fire prevention committee. Judges would be representatives of National Board, the state fire marshal's department and Stock Fire Insurance Field Club of Virginia.

Hill Reelected at Raleigh

RALEIGH, N. C.—Landon Hill of Raleigh was reelected manager of the North Carolina Fire Insurance Rating Bureau at the annual meeting here and John H. Hutchins and Charles E. Hibberd, both of Raleigh, were reelected assistant managers.

Mr. Hill has been manager of the bureau since it was organized in 1945, and was manager of its predecessor, North Carolina Inspection & Rating Bureau, 1925-1945.

New Texas Licensing Plan

At a meeting of San Antonio Insurance Exchange, Secretary F. F. Ludolph commented on the strengthening of the examination for agent's license. He said that under the new plan there are 321 questions to be studied by the applicant and 50 questions to be answered, with a requirement that 39 or more be answered correctly, and a waiting period of four months when the applicant fails. Mr. Ludolph also reviewed windstorm losses since 1933 showing

that in comparison with premiums paid they have been relatively low.

Arthur Randol reviewed the developments of the Austin hearing on personal property floater. He emphasized that if a clause in a policy has no binding effect, it has no place in there. Travis Bailey reviewed the high lights of the N.A.I.A. Chicago convention.

Tate Opens Adjusting Office

LITTLE ROCK—Tate V. Ragan, for three years adjuster Central Adjustment Co. here, has opened his own adjustment company to handle fire, casualty, auto and marine claims.

Mr. Ragan is a native of Kansas City, and has been in the adjustment business 25 years or more. He served as staff adjuster at Kansas City for Continental Casualty and formerly was at different times with Thorpe Adjusting Co., Wichita, and Underwriters Adjusting, Chicago. During the war years, he was electrical engineering instructor at University of Kansas.

COAST

Committee on Revision of Cal. Manual Named

Commissioner Dewney of California has named an industry committee to revise the department's manual covering fire, casualty and other commercial lines. It is similar in its functions to the committee that has recently completed revising that part of the insurance manual relating to life and disability and which is expected to be in the hands of the printer shortly.

The committee consists of Harry L. Simpson, secretary of Fire Underwriters Assn. of the Pacific; John Henry Martin, manager of Standard Forms Bureau; Frank C. Colridge, general manager of the Pacific Board; Eveleth E.

Hayden, executive secretary of California Assn. of Insurance Agents; Everett M. Northrup, manager of Great American and M. F. Gruhn, resident vice-president Lumbermen's Mutual Casualty. All are of San Francisco except Mr. Northrup, of Oakland.

The new manual will contain descriptive material, a course of instruction consisting of questions and answers regarding practical insurance problems, methods of procedure for licensing and pertinent sections of the code.

Phoenix-Connecticut Group Opens Oakland Office

OAKLAND, CAL.—District Manager Charles W. DeHart of Phoenix-Connecticut group has been given charge of the new office opened in Oakland.

William G. McLeod will continue to supervise group affairs on the north Pacific Coast despite the division of the territory, which was brought about by company desire to augment service in the area. Miss Evelyn Allison will serve as office assistant to Mr. DeHart.

A graduate of Armour Institute, Mr. DeHart began his career with the Illinois Inspection Bureau and joined Phoenix-Connecticut in 1937. He served as a lieutenant commander in the navy during the war.

Publicity Plans Framed on Responsibility Law

SEATTLE—Members of the King County Insurance Assn. were told of plans to publicize the new Washington financial responsibility law at a luncheon meeting.

President J. R. Storm announced that the publicity campaign will begin Nov. 15 under the sponsorship of the state department of licenses. He said companies, agents and brokers have been requested by both the department of licenses and the insurance commissioner's office to refrain from using public media to advertise the sale of insurance in connection with the law until after Dec. 4. This will enable the

department of licenses to tell the story of the new law to the public with a minimum of confusion. The law goes into effect Feb. 1.

Mr. Storm also told of the educational courses sponsored weekly by the association. He also submitted a report on the N.A.I.A. convention.

Elwell C. Case of McGraw, Kittinger & Case, association vice-president, reviewed the address by U. S. Senator Byrd before N.A.I.A.

Thomas A. Harman reported on the controversy over term installment premium plans. LeRoy Hunter, chairman of the association's educational committee, outlined the different types of educational programs being offered by the N.A.I.A.

Inspect Utah Rural Schools

A seven-man inspection unit visited 12 rural schools in three Utah counties during Fire Prevention Week and cultivated a new consciousness of fire safety on the part of the townspeople whose schools were visited.

Led by Sherman T. Hunter, Utah Safety Council fire prevention chairman, the inspectors included W. S. Hayes, Pacific Board engineer; Abe Bywater, Utah Fire Rating Bureau; Charles MacNeill, Intermountain Field Club; D. J. Wolters, Electrical Inspectors Assn.; Vaughan Hall, state Department of public instruction, and Ab Jenkins.

The inspectors plan to visit a group of counties each month, concentrating on school buildings, but also studying public buildings where time permits.

Ore. Steering Group Meets

The executive committee of Oregon Assn. of Insurance Agents held its first session of the new year at Portland.

Plans for the new year were mapped and reports on the Chicago convention of the National association were presented by State-National Director S. Don Smith, Eugene, and President Harold S. Hays.

Charles H. Huggins, Salem, chairman of the executive committee, presided over the afternoon and evening sessions.



Chief says he wants to see if Central's Planalysis will discover every kind of undercoverage.

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FIELD

Aetna Names Goeddeke, Tadlock in Mo. Field

Aetna Fire has appointed George W. Goeddeke as special agent in Missouri. He will be associated with State Agent H. E. Johnson, Jr., with headquarters at Kansas City.

Mr. Goeddeke has been assistant superintendent of the special risks department and has been with Aetna since 1941, interrupted only by army service.

Thomas R. Tadlock has been named staff adjuster at Kansas City. He is well known in the territory, through his operation as an independent adjuster since 1930, also at one time having been assistant prosecuting attorney at Joplin. He has acted as a special investigator for several eastern financial concerns as well as staff adjuster for both fire and casualty companies.

Austin Puddle to Entertain

Alamo Blue Goose, San Antonio, heard George Wise, Austin, co-chairman of the pond entertainment committee, announce plans for an entertainment to be given by the Austin puddle Dec. 5. The matter of holding a mid-year swim at Austin was discussed. W. A. Drum of Austin presented five membership applications. Harold G. Reinhackel, past most loyal gander of the Alamo pond and now big toad

of the Austin puddle, gave assurance that there will be an abundance of food and entertainment at the December meeting of the puddle.

Life memberships were presented to John C. Griswold, Griswold Adjustment service, past most loyal gander, and Lloyd Caldwell, Lloyd Caldwell Claims Corp., both members for more than 20 years.

Blackstock to Northern

Charles W. Blackstock has been appointed special agent for Alabama, Louisiana and Mississippi by Northern Assurance. His first insurance experience was with America Fore as an underwriter and later as a special agent in Georgia and Louisiana. Mr. Blackstock attended University of Georgia and Tulane University. He is a navy veteran.

Baer Joins Prov. Wash.

Providence Washington has appointed Robert C. Baer special agent in southern California.

Mr. Baer entered insurance in 1939, following his graduation from U.C.L.A. He spent two years with the Pacific Board and then joined Guarantee Fire as a special agent. After service in the marine corps, he returned to Guarantee Fire and then joined J. B. Henderson agency in Alhambra, Cal. In 1947 he became special agent for Springfield Fire.

Simonson, Swabon in Field

American has appointed Robert W. Simonson special agent at St. Louis and George W. Swabon special agent at Detroit.

Mr. Simonson has had a diversified experience in insurance, and for the past year has served as an underwriter in the marine department of American at Rockford, Ill.

Mr. Swabon joined American after several years with Michigan Inspection Bureau, and has just completed a period of training at Rockford.

Football Movies Shown

James Trimble, athletic director of Wichita University, presented movies of the Wichita-Nevada football game at the Sunflower Blue Goose puddle meeting at Wichita Oct. 24.

Talk on Delinquent Balances

Joseph M. Harter, attorney, Columbus will speak on "Principles and Procedures of Handling Delinquent Agency Balances" before Ohio Fire Underwriters Assn. at Columbus Nov. 9.

Winscott Mo. Farm Special

Raymond J. Winscott of Home in Moberly, Mo., has been employed as farm special agent for eastern Missouri and will work under the direction of State Agent C. F. Marberry out of the St. Louis office.

Ganders Hear City Chief

KANSAS CITY—City Manager L. P. Cookingham spoke on "The Business of Managing Kansas City" at the Heart of America Blue Goose meeting, with 67 in attendance. Candidates will be initiated at the next meeting.

Commission Group Named

National Assn. of Insurance Agents has appointed a committee on commissions with Russell M. L. Carson, Glens Falls, New York, as chairman. The other members are: W. Howard Stewart, Clearfield, Pa.; Kennett R. Kendall, Rochester, N. H.; James C. Dunlap, Atlanta; Linn S. Bidd, Brazil, Ind.; Allan I. Wolff, Chicago; A. E. Shepperd, San Jose, Cal.; M. F. McCaffrey, Detroit; Maurice Hartson, Jr., New Orleans; Cruger T. Smith, Dallas; and Paul H. Jones, Tucson.

The committee will report to the national board of state directors in order to determine if a policy on commissions can be established.

MARINE

Appleton & Cox Manager of Boston Branch Retiring

BOSTON—After 40 years with Appleton & Cox, marine insurance managers, R. Frank Moment will retire as manager of the Boston branch Nov. 1.

Mr. Moment gained early experience in the home office. In 1930 he was transferred to Boston to open and manage that branch, which serves Maine, New Hampshire, Vermont, Massachusetts and Rhode Island. He was appointed a resident vice-president in 1945, and is a charter member of the Twenty-Five Year club.

The corporation is planning a dinner in his honor Nov. 1. Mrs. Moment will share in the honors. Many of Mr. Moment's friends in New England insurance circles will attend, as will a delegation of home office executives, headed by D. Farley Cox, Jr., president. Among

WSA Probe Is Assured by House Subcommittee

WASHINGTON—Wartime insurance activities of the maritime commission and war shipping administration are assured of investigation, not because of Rep. Weichel's resolution on the subject, but because Chairman Bland of the House merchant marine committee has set up a subcommittee to do the job. The subcommittee: Reps. Bonner, North Carolina, chairman; O'Toole, New York; Bennett, Florida, Democrats; Weichel, Ohio, and Lichtenwalter, Pennsylvania, Republicans.

CHICAGO

HONOR HARTNEY ON 50TH YEAR

Edward W. Hartney, agency superintendent, was honored at a luncheon given by Royal-Liverpool celebrating his 50th year with the company. Mr. Hartney, who has the longest period of service of any employee still with the company, joined Liverpool and London and Globe at Chicago in 1899. In 1921 he became chief examiner and seven years later was transferred to New York City as agency superintendent. He returned to Chicago in 1931. Mr. Hartney received many fine gifts, including a watch and television set. He will retire at the end of this month.

Mr. Hartney's son, John W., has been with Royal-Liverpool for 19 years. He is Oklahoma state agent.

CLUB RESUMES MEETINGS

Mutual Underwriters Club of Chicago has begun its third season of monthly meetings after a four-month vacation.

The initial meeting of the season was highlighted by a talk and movie presented by George H. Pope on the activities of Underwriters Laboratories, of which Mr. Pope is assistant secretary.

Club President R. J. Elliott, National Retailers, extends an invitation to all men engaged in fire underwriting for mutual companies.

Defer Final Organization

A certificate of authority for the newly incorporated National Fire & Marine of Omaha will not be requested prior to next May 1, according to J. D. Ringwalt, who is the main factor in the organization. The company will probably start with paid in capital of \$150,000 and paid in surplus of \$50,000, and it will be used mainly for fire and marine lines, although it will write automobile as well. It will be a running mate for National Indemnity of Omaha, which is headed by Mr. Ringwalt.

St. Paul Pays 50c Extra

St. Paul F. & M. has declared a special dividend of 50 cents a share to be paid Nov. 15 to stock of record Nov. 8. In 1948, a special dividend was paid at this time of the year of 25 cents. The regular quarterly rate is 50 cents.

Mankin V-P and Director

Howard E. Mankin, resident vice-president at Chicago for Excess Underwriters, has been elected a vice-president and director. He will continue in charge at Chicago.

Marine Losses Recorded

LOS ANGELES—Two marine losses due to fire on ships have been recorded within the past few days off the California Coast. The first was the fishing craft Salinas Cruz (owned by Tony Cornero, one-time operator of gambling barges off Los Angeles), which burned off Point Arguello and which was insured in London for a total of \$100,000. The second one was the 123-foot tuna clipper, which burned and sank off the same point Wednesday and which was insured in London for \$275,000.

George W. Rennix, superintendent educational department, Continental Casualty, Chicago, has a difficult time getting his work done on Fridays during the football season. Mr. Rennix, who is on the Western Conference referee roster, handles one of the big games each Saturday. The parlay card boys, seeking some inside dope, run a merry path to Mr. Rennix's office only to hear "sorry, no comment." The games at which Mr. Rennix has officiated so far this fall are Indiana-Ohio, California-Wisconsin, Tulane-Notre Dame, and Iowa-Northwestern.

James B. Thomas, assistant secretary of National Union Fire in charge of underwriting in the western department, is confined to St. Margaret's hospital, Pittsburgh, with a heart condition. W. L. Schreiber of Grand Rapids, Michigan state agent, is at the home office helping out in the emergency.

E. Hugh Miller, vice-president of Tracy Insurance Co., Salt Lake City, dean of Utah agents, is seriously ill from complications resulting from a ruptured appendix.

The Birmingham service office and indemnity claims department of St. Paul F. & M. and St. Paul-Mercury Indemnity, have been moved to new and larger quarters at 411 Jackson building. J. B. Chapman is state agent.

Missouri Fire Prevention Assn. inspected Albany Oct. 26 on invitation of the Albany Chamber of Commerce.

WANT ADS

Progressive operation creates two openings in Grand Rapids, Michigan branch Office of Stock Fire and Casualty Companies. Experienced Fire and Casualty Special Agent for an excellent territory under supervision of Michigan Branch Manager. Experienced Casualty and Auto Adjuster for a well confined territory under supervision of Michigan Claim Manager. Furnish age, experience and references in handwriting. Our employees know of this advertisement. Address W-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Accountants Study Changes They Face

(CONTINUED FROM PAGE 5)

Here lack of uniformity in treating unreported losses, inadequate provision for loss expense, undisclosed occupational disease claims and a number of other types of liability can be emphasized as important items which distort the results in the pure case and schedule P "case and formula methods" of setting up loss reserves.

Other Distortions Listed

Recent amendments to workmen's compensation laws of many states have greatly expanded the nature and kind of injuries for which additional compensation is due the injured party, recognition of additional benefits for dependent children and payments for disfigurement, tend further to distort the formula method, he said. The tendency of some commissioners to rely on information in the annual statement for rate-making is likely to attract additional attention to the shortcomings of schedule P. Mr. Harrington said he strongly argues against use of annual statement data for ratemaking because of the consequences. He suggested accountants confer with executives responsible for claim practices to reach a solution to the problem.

Distortion in collectible premiums further complicates the results which rest on the formula method of completing schedule P. Among the elements which contribute to this distortion are retrospective rating, graded expense, multiple line rating and other competitive methods of calculating premiums which affect a substantial volume of premiums.

While the matter is one for commissioners to settle, accountants can be of inestimable help in directing the course to be followed by commissioners, he said. Of course, a third important reason for revising schedule P is to present a correct financial picture of insurer liabilities.

He said that a poll of Massachusetts companies for suggestions on uniform accounting instructions brought out several criticisms of details.

C. G. VanderFeen, controller of National Surety, presented a paper in which he brought together in one place an outline of accepted practices of calculating and maintaining unearned premium reserves for the casualty and surety lines. This should be of material value to the many new companies now writing casualty as well as to fire companies that contemplate writing casualty and surety lines.

Commercial, Insurance Accounts

Insurance differs from commercial accounting, and some of the peculiarities of insurance accounts may be because the forms have been dictated largely by commissioners and actuaries rather than by accountants, Anthony W. Kerch of Resolute, stated in his discussion of commercial accounting as applied to insurance accounting.

He thinks that insurance accounting maintains a rigid position on matters that demand a high degree of adaptability. Whereas the commercial statement is prepared with the thought of continuing business, the insurance statement is prepared on a liquidating basis, which everyone hopes will never really happen. This philosophy has at times been embarrassing and commissioners had to deviate from the rigid practice by allowing use of fictitious values on securities to present a solvent condition. He suggested that in several respects commercial accounting can be applied to insurance accounting, and described how this is being done in Resolute.

C. H. Mahan, in charge of fire and casualty operations for International Business Machines, in a discussion of uniform accounting for multiple line insurers said that there will be in the next two years many company mergers for reasons of strength and economy.

Continued existence of two distinct systems of accounting for fire and casualty companies has been outmoded by

approval of multiple line underwriting and the installment premium plans, he said. Companies will be receiving accounts current from agents listing both fire and casualty premium transactions in one account and undoubtedly it will be necessary for all companies to close their books on a company basis, as the majority of casualty carriers now do, he said.

For group companies operating on a multiple line basis much thought must be given to a new uniform agency code as well as for codes such as state, transaction, etc., he added.

Unnecessary Losses Hit at Mich. F. P. Conference

GRAND RAPIDS — Emphasis on unnecessary losses from fire in Michigan was renewed at the initial general session here of Governor's Fire Prevention Conference, with Gov. Williams sounding the keynote. He stressed "hidden losses" from fire from the standpoint of casualties and property damage.

Waldo O. Hildebrand, Lansing, secretary-manager Michigan Assn. of Insurance Agents and conference executive director, talked on "The Insurance-Conscious Community." He stressed the importance of maintaining adequate insurance, declaring a properly protected community is a good place to live and work.

At the convention and exhibit of industrial packaging and materials handling engineers at Detroit, the **Harold Jackson Trophy** was won by Harry A. Hunt of Burroughs Adding Machine Co., Detroit, for the best pilferage-proof package for overseas shipment.

Multiple Lines Create Opportunity for Well Trained

Maynard Garrison, vice-president of Fireman's Fund, told the northern California C.P.C.U. meeting at San Francisco that the advent of multiple line underwriting is seriously disturbing the status quo in the business, but it is the kind of disturbance that brings with it new and exciting opportunities for everyone with the energy and imagination to see them. He said that the new concepts have brought American insurance back to the all-risk position in which it originally stood 150 years ago. Multiple line underwriting means more complete and satisfactory coverage at a lower cost and to the company it means a greater simplified corporate structure, the elimination of subsidiary companies, economies in accounting and bookkeeping procedures and an opportunity to excel in competition, the speaker emphasized.

Mr. Garrison commented that the greatest of opportunities lie in underwriting where new concepts are already appearing. He commented that the comprehensive householders' policy is being expanded and perfected, while the combination automobile policy has been developed for use by one company. "No doubt this coverage will some day be combined with comprehensive personal liability, possibly without even describing the automobile," he ventured.

He described as most challenging the idea of a one-paragraph, all-risk policy, which would consist of a few lines running something as follows: "In consider-

ation of the premium herein stated, the above named company hereby insures Joe Doe for any injury sustained by him."

C.P.C.U.s to Be in Forefront

He commented that in the forefront of the trained, energetic and resourceful men who will take advantage of the opportunities offered by multiple line underwriting will those bearing the C.P.C.U. designation. He declared, "The rate book may no longer be the substitute for creative thinking. The policy contracts, in the main, are yet to be drawn. They will be continuously undergoing revision. The fire and casualty companies which have not formed opposite affiliates will be constantly seeking trained personnel. There is hardly a trade journal published today which does not carry reference to new positions created by expanded multiple line writings. The underwriter who cannot or will not train himself to an under-


standing of fire, marine and casualty insurance will find the competition impossible to meet. There will still be specialists, of course, but the insurance man of the future must have a broad and well-grounded insurance education," he concluded.

Tort Claim Cases Heard

WASHINGTON — The Supreme Court heard arguments for three hours last week on four insurance company suits under the federal tort claim act. Company attorneys contended that after paying certain settlements they can recover from the government. The latter appealed the cases.

Arguments were made by William A. Hyman for Aetna Casualty; Pearce C. Rodey for World Fire & Marine, and Abraham Frankel for Yorkshire and Home. Assistant Attorney General Colby spoke for the government.

The court took the cases under advisement before recessing for two weeks.



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had taught insurance to three genera-
tions of the Blakely family. Miss Lodge
was well known in Kansas insurance
circles and was a founder and past presi-
dent of Insurance Women of Topeka as
well as active in the Episcopal church
in Topeka.

Phillip A. Hyland, veteran Des
Moines agent, died after a brief illness.
He had been in the business for 25
years and recently opened his own
agency.

Franklin D. Jost, 54, superintendent
of Aetna Casualty at Grand Rapids,
Mich., died there of a heart attack. He
had been with Aetna 31 years, having
started in the New York office as a pay-
roll clerk. He also worked in Aetna
offices at Indianapolis, Milwaukee and
Detroit.

Lawrence McIlwain, 48, who resigned
recently as St. Louis manager of Great
American to join the Salvage-McIlwain
agency, East St. Louis, died from com-
plications resulting from a perforated
stomach ulcer.

He was born at Lone Wolf, Okla., and
went to East St. Louis 27 years ago. He
was assistant manager of Illinois Inspec-
tion Bureau there for 15 years before be-
coming special agent of American at St.
Louis. Later he became St. Louis man-
ager of Great American.

Miss Sophia Rodiek, 52, vice-president
of William Rodiek & Co. agency, St.
Louis, died following an unexpected
illness. She was a daughter of the late
William Rodiek, who founded the
agency, and had been associated with it
for 25 years. Her brother, William Ro-
dieck, Jr., is president of the agency.

W. J. Moran, counsel in New York
for Travelers, died in a private sani-
tarium at Stamford, Conn. He was 81.

Low Water Pressure in Milwaukee Brings Fear of Higher Insurance Rates

Water pressure in Milwaukee is so
low that the city council has delayed
asking the National Board to evaluate
the recommendations of a public service
analyst firm for fear the city will get
a poor rating and higher insurance rates.
At a meeting of the city council, Edward
Tanghe, superintendent of waterworks,
said that "in outlying areas the pres-
sures are down to nothing in the sum-
mer, and I don't want the fire under-
writers to discover that."

Advises Status Quo

The council was considering the rec-
ommendations of a Chicago public an-
alyst firm as to changes in the fire de-
partment, including the merging of sev-
eral fire houses outside the downtown
area with other companies. A resolution
to call in the National Board to study
those recommendations was referred to
the city attorney's office for conference
with the fire chief on the possible ef-
fects of a National Board survey.

Fire Chief E. E. Wischer said that he
has letters from the National Board tell-
ing him in October to leave things as
they are in the fire department.

The city is having trouble with insuf-
ficient feeder mains and it was brought
out in the meeting that it might take
three years to correct the pressure situ-
ation.

Insurance Women of Denver will hold
their annual fall dance Oct. 28.

FBI Agent Analyzes Bank Defalcations, 1948-1949

In 1948 the FBI received approxi-
mately 500 complaints alleging viola-
tions of the national banking laws, and
the amount involved in the allegations
totaled approximately \$3 million. Of
these 254 cases involved irregularities
totaling \$1,150,000 by tellers. As of
April 30, 460 cases of alleged violations
had been received in 1949 by the FBI
with alleged irregularities totalling
\$5,459,978, a material increase over the
past fiscal year.

However, the irregularities of eight
employees of seven banking institutions
alone totalled \$3,164,000 a sum greater
than the total of the 1948 shortages.
In one institution the president was
responsible, and the irregularities were
discovered by an assistant cashier who
became suspicious of a customer's
signature on some notes.

These are some of the figures brought
out by Lee R. Pennington, inspector
of the FBI at Washington, in an article
on "Defalcations and Their Conceal-
ment" in the October issue of "Audit-
gram," published by National Assn. of
Bank Auditors & Comptrollers.

How Loss Was Unearthed

In the case involving the president,
the assistant cashier was assured by
other employees that the notes were in
order, but, still suspicious, she began
checking the bank's note case. Subse-
quently, another customer made a
rather substantial savings deposit, yet
the assistant cashier remembered the
bank was holding a note for this per-
son in an amount less than the deposit
being made. She was unable to under-
stand why the depositor was paying
6% on his note while only receiving
2% on his savings. The case was re-
ferred to the FBI and substantial ir-
regularities were developed.

Mr. Pennington points out that of
pending bank irregularity cases, ap-
proximately 25% are in the mysterious
disappearance group, which are par-
ticularly difficult to solve. If it actually
is a defalcation it usually involves more
investigating work than accounting.

In another case a vice-president em-
ployed by a bank 1919 to 1948 was found
to be more than \$500,000 short. After
making the depositor's ledger available
to the bank examiners, he disappeared
and was subsequently found in a
drunken stupor near the railroad tracks
of his home town. He had obtained
funds by withholding deposits, abstract-
ing ledger sheets, forging and padding
notes and chattels, and obtaining loans
on non-existent properties. According
to the newspapers he used the funds
for drinking, gambling and running
around with women. He got 10 years to
cogitate on the error of his ways.

Gets \$700,000 in Two Years

In a third instance, a vice-president
converted more than \$700,000 over ap-
proximately two years, conversion be-
ing effected mainly by obtaining fraud-
ulent mortgage loans either in fictitious
names or through corporations formed
by him for the specific purpose. He
admitted most of the money was
gambed away.

Irregularities of more than \$100,000
were concealed by a cashier through
shortages in the individual ledger ac-
counts and through a substantial kite.

Another cashier got away with more
than \$150,000, most of which appears
to have gone to relatives. The sixth
and seventh employees in the group of
eight that accounted for such a large
portion of the defalcations in the first
four months of 1949 were an assistant
cashier and a bookkeeper who operated
separately but knew of each other's
irregularities and were responsible for
shortages of almost \$200,000. The book-
keeper opened a fictitious account and
drew checks on it primarily to pay
gambling losses. The assistant cashier
concealed his irregularities through with-
holding numerous cash deposits.

The eighth an assistant manager,
cleaned out the vault and departed.
All but about \$6,600 of \$883,000 was
recovered by FBI agents.

Small Shortages

Commenting on other defalcations,
Mr. Pennington said that one bank had
difficulty with small shortages in a
particular depositor's account which
always was handled by the same teller.
The auditor sent a trusted employee to
the depositor's place of business to
verify the cash included in each deposit
before it was taken to the bank. After
several deposits were made, each of
which was recorded at the bank as
reflecting a small shortage, the teller
admitted he had been taking money
from the customer's deposits for many
months. Also, he had been removing
amounts ranging from \$10 to \$50 from
the currency of other tellers. He acted
as coin teller and because of the large
quantity handled he customarily used
portions of three vaults for its stor-
age. He also had access to cash of other
tellers. After they had settled for the
day he would remove small sums from
their cash. The morning following the
thefts the tellers would ordinarily begin
the day's business without a cash count.
In the evening they would find them-
selves short.

Another bank with a dozen tellers
had difficulty with minor shortages.
Practically every teller experienced
these shortages over many months
except the head teller. Investigation de-
veloped he had been entertaining
lavishly and had been doing consid-
erable betting on horseracing. The head
teller would send packages of currency
to the various tellers, and often the
straps would not be broken for several
days after the money was actually re-
ceived. However, when faced with the
fact that the investigation indicated he
was living far beyond his income, he
admitted the irregularities.

Depositor Makes Find

A depositor endeavoring to have
interest credited on his savings books,
was responsible for discovering \$96,000
in embezzlements on the part of an
assistant cashier. For 20 of his 25 years
this employee had been dipping into the
funds of the bank.

He accepted deposits from customers,
pocketed both the money and the
deposit tickets. Later, sometimes in
bank hours and sometimes after, he
posted the amounts embezzled to the
depositor's ledger card. When it ap-
peared that auditors were coming,
customer's ledger cards would be re-
moved from the files until the audit
was completed. He also was responsible
for many mysterious disappearance
shortages of other tellers. In a teller's
absence, he would enter the cage, re-
move money and deposit tickets pre-
viously accepted by the teller, and
pocket both cash and deposit tickets,
subsequently posting to the customer's
account. He sustained considerable
losses in the stock market beginning in
1929 and also spent part of the funds
in carrying on three extra-marital affairs.

A \$3½ million defalcation involved
a bank vice-president who was treasurer
of the board of education. Initially the

shortage was in the bank, but when
examiners went there the shortage was
shifted to the funds of the board of
education. When an auditor examined
the board's accounts the shortage was
shifted back to the bank. Finally the
defaulter purchased \$750,000 in bonds
and shipped them through the bank to
a New York bank for safekeeping. From
time to time the bonds would be ordered
sold and the account of the local bank
credited.

On receipt of advice of the sale, the
bank vice-president used the credit to
purchase cashier's checks or credit the

(CONTINUED ON PAGE 35)

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Ill. Agents Group Shows New Vitality

Get Ill. Membership Up to Proper Level, Drake Urges

Standing Must Be Improved, President Says—Now in 10th Place

Lyman M. Drake, Jr., of Chicago in his presidential address at the convention of Illinois Assn. of Insurance Agents, exhorted the members to take a more vocal, active interest in the organization and especially to take a hand in enlarging the membership so that Illinois may take its proper place nationally. The Illinois membership, he said, is 728, which is an all time high, but other states have made more rapid strides. Illinois is in tenth place in membership among the states.

There is need, he declared, of agents in every part of the state who will get the association story before non-members. He urged the formation of local boards, even if the nucleus consists of only four or five.

Mr. Drake remarked that the matter of jewelry rates was precipitated by the filing of a deviation by one company, and the rating committee headed by Allan I. Wolff of Chicago was active in postponing acceptance by the state until all companies were given an opportunity to conform.

In July the committee started discussion on an adjustment of the automobile physical damage rates, against the desire that the principal insurers recognize the improved experience and put out modest reductions in line with action in other states. This was taken up with company executives and N.A.U.A. but up to the present no favorable action has been taken and the independent companies have capitalized on the reductions which they filed and which were promptly approved. The committee believes that steps should be taken so that automobile rates can more promptly reflect improved loss ratios.

"Companies," he said, "should display more confidence in their agents in matters of this kind and because of their reluctance in so doing the companies do not secure the benefits which might be available from intelligent agency co-operation. The agents and producer groups are happy to render every possible assistance to the companies and it has been demonstrated that agent and broker help can be of invaluable aid in legislative and insurance department dealings."

S.E.U.A. Convention

Registration at the convention of Southeastern Underwriters Assn. at Pinehurst, N. C., this week numbered 205, which was an all-time high mark.

N. McCullough Winters has at his side in his agency at Quincy his twin sons who are taking hold with enthusiasm, high spirit, and intelligence. They say that their father is now the chief executive in charge of travel and conventions. The young men are John Winters, an insurance veteran of two years, and Richard Winters, a three year man. The three Winters attended the Peoria meeting.

D. K. Weiser, Chicago manager for Aetna Casualty, was assisted by Arthur Higgins, superintendent of agents; A. J. Meyer, veteran state agent of Automobile, and other members of the field force.

'Face Up' to Health Cover Problem, Dineen Implores

Superintendent Dineen of New York, in an abbreviated but forceful appearance at the luncheon gathering Tuesday that closed the convention of Illinois Assn. of Insurance Agents at Peoria, summoned the insurance establishment to "face up" to the social insurance problem of the day. Private insurance, he insisted, must get behind the doctors in their cause, and they must offer solutions that embrace utilization of the private insurance system. Otherwise, he warned, insurance "may be left waiting at the gate."

A number of the conventioners were leaving on an early afternoon train, and Mr. Dineen, apprised of that situation, severely skeletonized his talk to the disappointment of many in the audience who were ready for a good deal more of Mr. Dineen's medicine.

"Resoluting" Not Enough

Mr. Dineen referred to the fact that the Illinois agents had just adopted a resolution denouncing all forms of compulsory health service. More than "resoluting" is needed to head off socialized medicine, the speaker said. When the unemployment compensation disability idea was first advanced in New York, there was demand for a monopolistic state fund and for the administration to be in the hands of the unemployment compensation commission. That was high strategy, he declared. Unemployment compensation is linked directly to Washington. Oscar Ewing, the speaker theorized, was opposed to the New York bill that was eventually enacted wherein the program was linked to the workmen's compensation system and the road was opened to private insurance, because this would interfere with the campaign to put socialized medicine across on a national scale.

He exhorted insurance men to see that private enterprise is injected to the utmost degree in these plans, because the more private enterprise there is in the situation the more difficult it is going to be for the government to take over.

Medical Cover Next?

Mr. Dineen said that after enactment of the New York TDB law he foresaw the probability of an attempt at a later date to supplement it with some form of medical coverage. He said he has been disappointed at the amount of attention given to these questions by the insurance business and he was annoyed that Washington did not turn to the insurance business for assistance in the legislation. Insurance leaders, he declared, say they must keep aloof because they don't want to give the impression that they are "rushing down" to commercialize something that deals with the nation's health. Mr. Dineen said he doesn't think much of that argument.

Rep. Celler of New York was trying to get up an investigation of life insurance at that time. Mr. Dineen asked whether Washington would not look to insurance for counsel rather than proposing an investigation if insurance leaders had gone to Washington with ideas.

Mr. Dineen and two others of the New York department went to Europe this summer with the intention of ascertaining what insurance principles could be applied in the realm of health insurance.

Dangerous Delusion

Mr. Dineen said he came back with the conviction that once people get the idea in their heads that governmental medical cover is a blessing it will be a tough political battle to get it out of their heads. It is almost impossible to get the average man to understand that

the government can't give him anything; that government is not a producer; that in the process of taking in and giving out, the government has to give out less than it takes in. It is a delusive idea that a people can get something free. It is a siren song and heady political wine.

The aim of the British health act is to make all medical service available to everybody irrespective of age or residence and make the cost a charge on the national income. Fees, the story goes, are no longer to be the consideration in the kind of medical service received, since the bills are to be paid collectively rather than individually. This story possesses great political charm despite its inherent weakness.

Loading Up the Payroll

Government, he observed, has a genius for loading up the payroll with unneeded help. Under a federal scheme, he asked how many bureaucrats would be behind the doctor that is treating the individual. Why, he asked, should the government create a vast new agency to deal with this situation when there are the great insurance companies at hand with their huge assets, agents and service facilities. Insurance must come forward to see that private enterprise is injected into it in the greatest possible measure. He remarked that in 1941 the Beveridge report was an economist making predictions. It is now converted into deeds.

Mr. Dineen was introduced by Insurance Director Hershey of Illinois.

At the morning session the Illinois agents had gotten a good briefing on the TDB law situation from Richard E. Chislett, II, director of insurance and social security department of Standard Oil of New Jersey. He gave much the same message that he gave to an Ohio group several months ago. He analyzed the UCD legislation in Rhode Island, California and New Jersey and came up with the conclusion that the New York approach is far and away the best. It avoids the imposition of a flat tax and avoids the building up of a huge state fund, it makes extensive use of the private enterprise system, it encourages flexibility and it places dependence on the experience in the workmen's compensation and A. & H. fields, rather than on unemployment compensation.

Ringer's Message Is Well Attended

L. Ray Ringer, educational director of Aetna Fire, held his audience in close attention from start to finish, at the Illinois agents convention, with his carefully conceived message on how agents, particularly those operating on a one-man basis, can best plan for the perpetuation of their agencies. This was a most constructive talk and many in the audience jotted down notes as Mr. Ringer went along. His message was very largely the same that he gave in addressing the meeting of New England Assns. of Insurance Agents at Bretton Woods this summer and that was extensively reported in the July 7 NATIONAL UNDERWRITER.



L. Ray Ringer

50th Anniversary Parley at Peoria Serves as Tonic

Frank H. Hawk Takes Over Presidency at Big Meeting

By LEVERING CARTWRIGHT

The golden anniversary convention of Illinois Assn. of Insurance Agents at Peoria Monday and Tuesday was a tonic. The registration topped 400, which is by far the best turnout in Illinois in years. An excellent program of much practical benefit was provided and many a member resolved to contribute his talents to help promote the welfare



Frank H. Hawk Lyman Drake, Jr.

of the organization after hearing the stirring appeal of Harry E. McClain, executive secretary of the Indiana association, for the members to put their shoulders to the wheel rather than expecting the association to give them a buggy ride.

The group, at this meeting, came to a fuller realization than they have had of the asset that they command in the person of their executive manager, W. W. Hamilton. The esprit de corps was high and there was a real fraternity spirit. This gathering will undoubtedly serve to spark the organization to increase the membership and intensify the activities.

Important Resolutions

The association dealt positively in the resolutions with important questions of the day. One resolution referred to the trend in Washington toward socialization of insurance, the growing trend towards socialized medicine, compulsory health services, TDB laws, etc., and went on to condemn all forms of compulsory disability legislation.

Another resolution pertained to the reported interest that the Illinois department is taking in the idea of getting

NEW OFFICERS ELECTED

Chairman—Lyman M. Drake, Jr., Chicago.
President—Frank H. Hawk, Peoria.
Executive vice-president—W. H. Redeker, Centralia.
Secretary—Lillian L. Herring, Chicago.
Treasurer—P. B. Hosmer, Jr., Chicago.
State national director—Merle A. Read, Joliet.

National Council on Compensation Insurance to take over workmen's compensation rating jurisdiction in the state. Illinois and Rhode Island are the only states in which this task is handled by National Bureau of Casualty Underwriters.

(CONTINUED ON NEXT PAGE)

ers. It is understood that the department had a study made by independent accountants and that the National Council recommendation eventuated. The resolution stated that the present rating plan is consistent with the rating law and that a change could result in raising the rate levels. The officers were empowered to oppose any plan that would increase the cost of compensation.

There was a memorial expressing discontent because of the failure to make a multiple location rating plan filing in Illinois and saying that some agents are prejudiced thereby. The officers were



W. W. Hamilton



W. M. Sheldon

instructed to request the rating bureaus to file a plan.

The association voiced opposition to so-called knock-for-knock agreements in the automobile field. Some companies, require P.D. claimants to submit a statement of their collision insurance, and it is common practice for the P.D. insurer then to instruct the claimant to collect from his collision insurer, telling him that the two companies will then adjust the matter between themselves. If there is a collision deductible the resolution stated, the claimant is not fully reimbursed. Where there is no collision insurance the claimant frequently is paid more promptly by the P.D. in-

surer. This, according to the resolution, is contrary to public policy. The resolution is to be sent to companies and adjusting organizations.

Finally there was a resolution recording opposition to the installment payment of the term fire premium idea. This is causing growing concern to the agents, the memorial stated; it is in conflict with the term rule, and is not in the public interest. It is of concern to supervisory officials because of its effect on reserves and the cost of doing business. The resolution voices the hope that a satisfactory solution may be arrived at through the cooperation of all segments of the business. The only installment payment plans now approved in Illinois are those of North America and Federal.

Banquet Festivities

The banquet Monday was gay and a first rate show was provided through the courtesy of Millers National and Illinois Fire. The C. M. Cartwright plaque to the member making the most solid contribution to the association was presented at that time to Walter M. Sheldon of Chicago in recognition of his exhaustive service to the agency cause in the past few years as N.A.I.A. representative on the all-industry committee, as member of the N.A.I.A. executive committee, and as chairman of the National large city agents committee, as well as his work for the multiple location rating committee. The presentation was made by Levering Cartwright of THE NATIONAL UNDERWRITER. The W. H. Jennings cup for the best membership record among the regional vice-presidents went to Joseph Oakleaf of Moline. Mr. Jennings, a former president of the association, who is now state agent for Kansas City F. & M. with headquarters at Bloomington, made that presentation.

Besides the top brass in the official

ranks, there were elected the following regional vice-presidents: Emil L. Lederer, Chicago; Harold H. Cooley, Kankakee; Trahern Ogilby, Rockford; Harold R. Irish, Decatur; C. A. Bryant, Peoria; Joseph F. Prola, Springfield; W. P. Morrissey, Alton; E. M. Rolwing, Cairo; Cecil Satterthwaite, Salem, and J. T. Conlon, Ridgway.

Russell L. Sprouse of Springfield becomes chairman of the advisory committee; R. K. Swartz, Farmer City, chairman accident and fire prevention; Ray L. Britt, Danville, auto, fire and marine; E. F. Engelhard, Chicago, budget and



Lyle Gift



Corlett Wilson

finance; L. W. Zonsius, Chicago, casualty-surety; Lyle H. Gift, Peoria, educational; C. T. Wilson, Rockford, forms and rules; H. H. Monier, Champaign, grievances; W. P. Morrissey, Alton, legislative; W. J. Laadt, Chicago, public relations, and Ray A. Bastian, Hinckley, rural agents.

Much of the success of the meeting insofar as physical arrangements were concerned was due to the work of Lyle H. Gift of Peoria, the general chairman, and his team of hosts.

Greetings from City

The meeting got under way Monday morning with a message of greetings from the city in the person of the corporation counsel, Thomas Kennedy. Russell Sprouse of Springfield, the chairman, responded, and Lyman Drake, Jr., of the Critchell, Miller agency, Chicago, gave his presidential report that contained much historical data that was the product of personal research that he has been conducting lately and that also covered questions of current importance. Mr. Drake presides gracefully. He has a quiet humor, he is always considerate and his expressions are to the point and well phrased. His presidential talk is reviewed elsewhere.

Frank Hawk of Peoria, in his capacity as executive vice-president, made an appeal for increasing the membership particularly so as to strengthen the hands of the association legislatively against the day of the 1951 session when TDB measures and compulsory automobile liability insurance proposals will be to the forefront.

Merle Read Reports

Merle Read of Joliet was heard as state national director. He remarked that Wade Fetzer, Jr., president of W. A. Alexander & Co., Chicago, was named at the last N.A.I.A. meeting to pursue with the Red Cross the issue raised by the action of Red Cross in concentrating its insurance program nationwide. Mr. Fetzer just recently was named head of the Chicago Red Cross chapter. Mr.

Read voiced the belief that there would be a change in Red Cross policy in the near future.

Lyle Gift of Peoria, for the education committee, outlined the fire and casualty school that is conducted by the Illinois association in conjunction with University of Illinois. A school of one-week duration is conducted during each calendar quarter on the 2,000 acre Allerton Farms estate of University of Illinois six miles from Monticello. In March the week is devoted to fire and allied lines; in May, to marine, aviation, burglary, boiler and machinery, in September to liability, compensation, and automobile; in November to A. & H. and bonds, government insurance regulations and business letter writing. Besides in June there is an agency management course. The university will continue this program so long as it is supported. The tuition is \$20 per week and board and room is \$4 to \$6 per day depending on the type of accommodation.

Forms and Rules Report

Corlett Wilson of Rockford, for the forms and rules committee, said 36 new fire insurance forms have been introduced this year, and all contained improvements. He remarked that in connection with the interest policy, the question arises whether a contract purchaser loses his protection when the policy is endorsed with a contract of sale clause. The recommended procedure is to put the name of the contract purchaser and the deed holder on the face of the policy. The automatic sprinkler clause, he declared, is causing difficulty, and the committee is making an investigation.

W. W. Hamilton, the executive manager, got a spontaneous round of applause at the close of his report in which in concise fashion he covered a wide range of subject matter and briefed the members on problems of the day. He disclosed that an effort is being made to get National Council on Compensation Insurance introduced as the workmen's compensation rating authority in the state. The agents association, he declared, was instrumental in keeping National Council out when compensation rate regulation was enacted, and the group is fighting such a move at this juncture, as being "prejudicial to the public interest." Illinois and Rhode Island are the only states in which National Bureau of Casualty Underwriters exercises compensation rating jurisdiction.

Recruiting Work

Mr. Hamilton pleaded with members to suggest to headquarters names of prospective members so that the secretariat can pin point its recruiting work. He strongly counseled organization of city, county or regional boards and said that a fine organization has been set up at Kankakee.

Mr. Hamilton remarked on the increasing pressure for socialization of various forms of insurance and said the capital problem ahead is state disability fund legislation. There will be a big drive for such a law in Illinois and the agents should buckle down to stop the creation of a state fund for the purpose. The agents and brokers law that was enacted represents many improvements.

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but is still deficient, he said. One important improvement is the requirement that an applicant pay a \$10 examination fee in addition to his licensing charge. Last year of the 11,000 applicants for license, 4,000 did not appear for the examination, which meant that that number were soliciting insurance under temporary permit for 90 days without any determination of their fitness. Already, he said, there are far fewer applicants that are failing to stand for examination.

The agents association was unsuccessful in getting a requirement that counter-signature must be by commission compensated agents. The association objects to basing examination questions on the manual of questions and answers, on the ground that this simply constitutes a memory test. The questions in the examination should be those that have not been previously publicized. The association is now engaged in preparing some 500 questions and answers, that would not be disclosed in advance, from which examinations could be created.

Must Submit Pictures

Applicants are required to submit pictures, this being aimed at preventing substitutes taking examinations for poorly equipped candidates.

The law makes the producer's license subject to revocation if premiums are not paid within 90 days. The broker is constituted agent for the company in the collection of premiums.

Mr. Hamilton spoke ruefully of the action of Gov. Stevenson in vetoing the bill sponsored by the association to give the state a measure of control over producers associations. The veto ostensibly was in conformity with an opinion of the attorney general that the measure would vest too much authority in the insurance director, but Mr. Hamilton said the report has circulated that the governor's action was prompted by foes of the legislation that reached his ears.

Mr. Hamilton asserted that the agent is entitled to know what is going on in connection with rate filings. Illinois Manufacturers Assn. in a recent conference with agents expressed surprise that there is no provision for public hearing on rate filings and indicated its intention to support legislation to that end. Rating plans that include acquisition cost factors are something in which the agents have a vital stake, he averred.

Committees Are Named

Mr. Drake appointed as chairman of the resolutions committee Alvin S. Keys of Springfield, the other members being Lyle Gift and Frank Hawk of Peoria; Eugene Engelhard of Chicago, and E. F. Hostettler of Decatur. Heading the nominating committee was Ray L. Britt of Danville, his associates being Robert Woodward of Peoria, and Thomas Sprague, Jr.

The final feature Monday morning was an address by Tim L. Lynch of Babaco Alarm System, who counseled agents to set about improving trucking risks with the same determination that they improved industrial risks by developing sprinkler protection. Trucking is getting to be a bigger industry every day, he said. Truckers are being subjected to abuse by newspapers and other interests, he charged, citing an editorial that morning in the Chicago "Tribune" captioned "Highway Wreckers."

Truckers Need Help

Truckers, he said, need the help that the insurance business can give them. There are now more than 7 million trucks on the road. If agents and companies take only the "easy lines," their competitors will set about making the tough lines sound. Risk improvement is the answer. Collision and fire usually cause only partial loss while hijacking and theft generally mean total loss. He pointed out that trucks pull out of well protected terminals, and are tested at garages for safety and yet when they are on the road they may be left at the

Personal Glimpses at Ill. Agents Peoria Gathering

Those that gathered at Peoria Sunday for the convention of Illinois Assn. of Insurance Agents were guests of Continental Casualty and Continental Assurance at a sumptuous buffet and cocktail party, the hosts being represented by John Henry, general counsel; Ralph Jones, assistant general counsel; Henry Lustgarten, Chicago manager; Harold Fredericks, special agent, and S. A. Smith, executive representative.

One of the most distinguished of the past presidents, Clarence S. Pellet, could not be present to receive the recognition that was accorded the former chieftains at the golden anniversary gathering. Mr. Pellet has been at Presbyterian hospital for the past two weeks in preparation for an operation which he was scheduled to undergo this week.

Robert Woodward, head of the Roswell Bills agency of Peoria was taking notes from Al Ernst of Alton on how best to commemorate the 100th anniversary of a local agency. Mr. Ernst's agency attained centenarian standing this year and the Bills agency matches that record next June.

Alvin S. Keys of Springfield is looking particularly fit and this he attributes to an intensive summer of golf at his "guest-proof" place at Wequetonsing, Mich. He played 1,000 holes there the past season. Mr. Keys was accompanied by his able agency lieutenant, Harper C. Allan, who is his son-in-law.

Roy L. Davis, western manager of Assn. of Casualty & Surety Companies, mingled with conventioners Sunday and Monday and then returned to Chicago for the meeting Tuesday of the all-industry subcommittee on unauthorized insurance.

Lyle H. Gift, the general convention chairman, hurried back from Iowa City where he attended the Iowa-Northwestern game, so as to be on the scene to greet the first arrivals.

One of the enjoyable features of the convention were the buffets served by several companies at their headquarters during the noon hour Monday. Among such hosts were the Home, and North America groups. Richard E. Freeman, class underwriter at the head office, was on from Philadelphia for North America. He is an ex-Chicagoan, who has been at Philadelphia four years. Presiding honors for North America were shared by V. L. Montgomery, Chicago fire manager; Ray Mitchell, marine manager, and San Magoun, Jr., manager of Indemnity of North America. Home had a very large representation including Vice-president R. E. Minner; David E. Larson, Illinois manager; Verne De Guire, associate state agent; Kyle Simpson, Chicago manager of Home Indemnity and Fred Brinkmeyer, his St. Louis counterpart; E. J. Busch, loss manager at Chicago; Ralph Johnson, auto manager there; W. A. McNeill, farm state agent; Arthur Stubbe, marine, and A. V. Redpath, Home Indemnity, St. Louis. L. R. Choate, the field man with headquarters at Peoria, provided the local touch.

mercy of criminals. There was \$35 million loss last year from theft and hijacking. Most of the thefts are on city streets. People there are less apt to notice alien drivers, fences operate quickly and goods are easily disposed of.

Babaco, he observed, installs a police type siren that sounds in piercing tones that can be heard for miles and that goes on for hours. Installation of this equipment takes the "A" out of accommodation. He said the agent has to take the initiative in getting the trucker to take protective measures.

Harry McClain Makes Hit

Harry E. McClain, manager of Indiana Assn. of Insurance Agents, warmed up the audience at the afternoon session with a dynamic and witty message. He was beaming his fire at the individual member to contribute everything within his power to strengthen his association. It was a highly motivating address and the audience gave him a great hand.

L. Ray Ringer, educational director of Aetna Fire, offered some highly constructive and detailed counsel on how to set about perpetuating an agency.

Corlett T. Wilson of the Wilson & Wilson agency of Rockford gave an inspirational bread and butter talk that appealed strongly to the insurance sales

instincts of the group. He told of his methods and success in selling complete personal protection. It was obvious to the audience that his success lies in the conviction that he possesses of the necessity of what he is offering and in his ability to communicate that conviction to his prospects. He is earnest and almost solemn at times in his presentation, but below the surface there is an occasional light touch that is humanizing. Too many people, he declared, are paying their own losses and they are people that would buy what they need if the coverage were presented to them adequately. There are plenty of comprehensive policies, equitably underwritten and fairly priced and the task is to get these out of the rate book and into the hands of those that need the protection. The lack of coverage comes about because of the customary sales technique of selling a policy at a time to a man. The agent over a period of years, policy by policy, may create eventually a

sound program for a man, but in the meantime he may meet disaster. If he needed the protection finally he needed it originally.

Success of Surveys

Mr. Wilson said that he has been a survey man for 13 years and he has gradually developed a plan that works like a charm. For the past six years, he has sold insurance whenever he has gotten a questionnaire completed and in the past three years he has sold all the insurance that he has recommended in connection with every questionnaire that he has completed. He remarked that he has a great zeal for insurance, that he believes in complete insurance protection for the family. He said that conviction is all important. Many persons, including insurance agents, he said, don't really believe in insurance.

Mr. Wilson imbues his prospects with the fundamental spirit of insurance. He

(CONTINUED ON PAGE 33)

WELCOME TO PEORIA...

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New Records Set at Kansas Rally

Personals at Topeka Meet

Among the father-son teams among the agency ranks seen at the Kansas convention were George S. McAnany and son George S., Jr., Kansas City; Sam H. Reynolds and Robert S., of Kansas City; Chas. G. Blakely, Jr., and Chas. G., II, of Topeka; Joe Moddrell and Joe, Jr., of Wichita; John H. Burns, Jr., and Jack, of Wichita; William T. Newkirk and Bill, Independence; Alpha Bales and Ralph, of Pratt; N. N. Kline and Bill, a member of the executive committee who has two older brothers with the Kline agency, Hutchinson, John and N. N., Jr.; Bob Kane and son, Topeka; Seymour E. Drehmer and son Lawrence, of Dodge City; David Nelswanger and David M., of Topeka; L. T. Hussey and Ted of Topeka; James M. Brier and sons, John and J. M., III, Topeka; and R. E. Israel and son R. E., Jr., of Wichita.

As usual the Hutchinson board had the largest delegation in ratio to membership. President Paul Lewellyn headed the delegation.

There was also a good delegation from Independence. The agents had hardly left town when a \$150,000 fire gutted two large warehouses at the municipal airport, destroying 2,400 tons of alfalfa meal of the Elk Valley Alfalfa Mill and 1,000 tons of fertilizer of the Spencer Chemical Co. Origin of the loss was not immediately determined.

Attending the past presidents dinner Wednesday evening were first President Fred Gould, Arkansas City; Will S. Thompson, Hutchinson; Webb Woodward, Topeka; Chas. G. Blakely, Jr., Topeka; Bert Mitchner, Hutchinson; Dwight Smith, Wichita; Victor G. Henry, Wichita; Holmes Meade, Topeka; Glenn D. Hussey, Topeka; Lauren W. Jones, Dodge City; Edwin S. Nellis, Topeka; Urban Brown, Emporia; Harry Tinklepaugh, Kansas City; R. L. Budge, St. John; Chas. Schoonover, Garden City and retiring President George Bacon. Guests included Wade Patton, Hutchinson, and Evan H. Browne, both former secretaries, and Frank T. Priest, Wichita, former member of the executive committees of the Kansas association and N.A.I.A.

Fifty-six agents and company men turned out for the golf tournament at White Lakes. For the agents Cheney Prouty, Kansas City, and Harry Wilson, Topeka, tied for low gross. President George Bacon and Kenneth Ross, vice-president, were tied for 2nd, while high

gross went to Byron R. Brittain, Newton. George Pape, Providence Washington had low gross for company men with Ralph Morrison, Hartford A. & I. 2nd. Harry Wilson, Topeka, was in charge.

The Frank T. Priest cup, awarded each year to the local board with the most outstanding record of public service, went to Topeka, while the Ross E. Case memorial cup, given to the individual agent who personally conducted the best fire safety program, went to Harry L. Hasler of Eldorado.

Vice-president L. B. Burt; L. E. Morgan, hall manager; A. C. Reed, and Fred R. Powers, field representatives, represented Preferred Fire.

Hartford Fire had headquarters with L. E. Grigsby, associate manager at Chicago, greeting agents with J. W. Burden, H. G. Bannerman and R. F. Cheek. Also on hand were O. D. Butcher, R. N. Covington, and Van B. Higbee, special agents. Hartford A. & I. was represented by Paul A. Dow, manager at Kansas City; Edwin M. Conroy, field supervisor; W. O. Woodsmall, Jr., claim representative, and Ralph L. Morrison, Ray R. Roeder, W. S. Pace and Russell Smith, Jr.

Travelers was represented by Howard F. Hansen, manager; Assistant Manager Walter Scull; Robert H. Hawley, manager of Travelers Indemnity; Dan Boyette and Clarence Cook, life manager, all of Kansas City.

State Agents H. J. Schoeppe and Lloyd Gaines were on hand for Commercial Union.

The Miller-Studebaker general agency of Topeka, had headquarters in charge of President Lewis B. Palmer.

J. T. Even, assistant manager of Fireman's Fund at Chicago, attended with Wm. W. Barrett, Kansas City manager; Richard E. Cowie, special agent, and W. E. Stewart, state agent.

Walter F. Daniel, Kansas-Oklahoma state agent for Norwich Union was up from Oklahoma City.

Three of the honorary life members of the Kansas association were on hand: Bert A. Mitchner, Hutchinson; Victor G. Henry, Wichita, and Frank Sullivan, Kansas commissioner. They were presented with life membership cards at the banquet.

L. T. Hussey, of the Hussey & Hussey general agency, Topeka, celebrated his 83rd birthday on Oct. 20 during the Kansas convention. His son, Ted, is associated with him in the general agency while his other son, Glenn D., and Erwin Keller operate the Hussey agency at Topeka.

Former Kansas Commissioner C. F. Hobbs was seen around convention headquarters visiting with old friends.

Mrs. Laurin W. Jones did not accompany her husband to the convention this year as she was busy with last minute preparations for the wedding of their daughter Nina Jean, who was married Oct. 23 to Marvin Covatt of Dodge City. Mr. Jones is a past president of the Kansas association.

Old timers were inquiring for Alex Case, popular farm agent of Marion, a past president, only to learn that he has been in ill health and was unable to make the trip. Mr. Case is the donor of the memorial cup awarded each year for fire prevention activities.

Messages of condolence were sent to Cheney Prouty, Kansas City, the vice-president elect who was called home Thursday due to the death of his mother, and to Mrs. Edwin S. Nellis, wife of the retiring Kansas state director, whose mother, Mrs. Nora Belle Scott, 76, also died Thursday following a prolonged illness.

Webb Woodward, Topeka, headed the nominating committee.

Bacon Discusses Legislation, Auto Problems in Report

George F. Bacon of Eldorado, retiring president of the Kansas association, in his report covered the state insurance situation from many sides. He mentioned that a decrease is called for on automobile physical damage rates and this matter has been brought to the attention of Kansas Inspection Bureau and National Automobile Underwriters Assn. The latter has indicated that the question is being given attention.

Mr. Bacon said that the current loss ratios and war end rates "being total strangers, should have more in common than age."

Mr. Bacon also mentioned that convictions in the courts are increasing since the advent of legalized liquor, and the problem confronts the agents as to the placement of drivers convicted of drunkenness. Many first offenders are entitled to insurance, but it is reported that the market is limited. Mr. Bacon warned that the companies cannot close their eyes to the fact that relief in the market must be forthcoming. The agents have not favored an assigned risk plan so long as the companies supply a market and it will be advantageous to give attention to underwriting details and principles that will avoid formation of another bureau.

Legislative Score: 7-2

From the legislative standpoint, the association had a favorable record. The final score in nine legislative objectives was seven won and two lost.

While the association made no issue of the wet or dry phases of legislation, it emphatically upheld the principle of private ownership and operation of liquor stores. Such action was in accord with the belief that government should not be in business. The bill thus supported was enacted into law.

The agents vigorously supported the drivers license bill, which was subsequently passed, and opposed the workmen's compensation bill due to the imperfect form in which it was presented and the irregularity of some of its provisions. It was defeated.

Also opposed was the bill which provided, in effect, that no insurance adjuster, or person representing an insurance company in any capacity, should take a statement from a person who had suffered personal injury or property damage until after 30 days had elapsed subsequent to the date of occurrence. That bill did not pass.

The agents fought the bill amending the Kansas "guest law" by removing the two controversial words "and wanton" from the negligence interpolation in the present law. This bill was defeated in the house after squeezing through the senate.

The association successfully supported the insurance department bill, which gave the department authority to sue (CONTINUED ON PAGE 23)

Kenneth Ross Is New Head of Kansas Agents

Association Progress on Many Fronts Emphasized at Topeka Convention

TOPEKA—Elevating Kenneth Ross, Arkansas City, to president, naming Cheney N. Prouty, Kansas City, to vice-president and thus president elect for 1950-51, and reappointing Alpha A. Kenna, Topeka, as executive manager



Kenneth Ross



C. N. Prouty

and educational director for his fourth year, Kansas Assn. of Insurance Agents entered its 30th year at the annual meeting here with a strong program of educational development, legislative advancement and membership expansion. The association racked up a new membership high of 516, a net increase of 27 during the year. A record attendance of 489 persons for a Topeka convention also reelected Carl R. Gullkey of Independence as secretary, named Paul H. Heinz, Jr., Topeka, treasurer, and Webb Woodward, Topeka, past president and general convention chairman, as state director succeeding Edwin S. Nellis, Topeka. Clifford A. Toizer, Kansas City, was named to fill a vacancy on the executive committee which went into organization session following the close of the convention. Frank Sullivan, Kansas commissioner, conducted the installation.

The association adopted the longest and most forceful list of resolutions in its history, 13 in all. The more important condemned installment plans on term fire business; supported the regional conference plan of the National association; opposed government proposals for socialized medicine and all other trends encroaching on the free enterprise system; called for state and national action to eliminate the tax differential favoring cooperatives; endorsed efforts to strengthen the Kansas finan-

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KANSAS

James I. Egly
Lloyd Elliott
Henry F. Pierce

Franklin National — Globe & Rutgers — Standard of N. Y. — Trinity Universal — Preferred Accident — Western Assurance

cial responsibility law; called for a "just and workable" agent licensing law; endorsed driver education in high schools, and backed the movement for uniformity of rules and regulations of fire bureaus nationwide. The agents also voted against the increase from \$100 to \$200 on the minimum premium on multiple location reporting forms.

The first day's speaking program was well received. A recital of problems of the industry, and education and sales tips were presented by notable figures in the business, including O. Shaw Johnson, president of the National association; Roy A. Duffus, Syracuse, president of the New York state association; James C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins"; E. H. Westwick, Chicago safety expert of Assn. of Casualty & Surety Companies; Edwin B. Moran, Chicago manager of National Assn. of Credit Men; H. W. Casler, western marine manager of American, and Commissioner Frank Sullivan of Kansas.

Westwick Leads Off

Appearing first on the formal program was E. H. Westwick, who discussed three ways to do something about traffic safety. He encouraged compulsory motor vehicle inspection, further adequate training of enforcement officers, and driver education in high school.

Commissioner Sullivan in his remarks commended agents and companies alike for their educational programs and spoke at length on the needs and advantages of a well planned licensing law. An adequate law, he said, will take

O. Shaw Johnson congratulated the Kansans on their progress in his address. Bringing greetings from the National association, Mr. Johnson said it would never be any stronger than the individual agents, local boards or state associations. He commented on a new feeling of unity which prevails in the National association and discussed the problems that were handled at the annual meeting in Chicago.

Mr. Johnson placed considerable stress on the installment payment of term business, quoting Walter Bennett, general counsel of the association on the dangers of the plan.

Opening the afternoon program was H. W. Casler, who presented an informative discussion on the possibilities in transportation insurance. He brought out six important points of adequate coverage that against "Acts of God"; a saving in total shipping costs; all shipments automatically insured to value; no third party involved; coverage both on prompt and easy claim settlements, on outgoing and incoming shipments.

An abbreviated convention program was contained in the talk of Roy Duffus. In his 45-minute rapid fire discussion of "How to Be a Better Agent," he covered a multiplicity of subjects begin-

ning with a review of improved forms and manuals, and carrying on through sales ideas for liability coverages, a review of the New York anti-coercion law, selling of term insurance on comprehensive personal liability comparable to the plans for fire and extended coverage, collection letters, surveys and other service possibilities and promotion of fire and safety prevention activities. Mr. Duffus commented on the large number of golf prizes usual at most conventions and said he would like to see prizes offered for those that bring in the best business-getting ideas. He said that agents must work together and

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George F. Bacon



Frank Sullivan

a great deal of work and organization. "Time is shorter than you think," he warned, stating that the solution will have to be sold to the agents, first of all, and then explained and sold to the public and the legislature.

Every unqualified agent blackens the name of insurance in general, and the best solution would seem to be setting up some form of regulatory program listing standards of what the public has a right to expect from a qualified agent. The next step is to make sure that only the qualified agents are in the field and the companies maintain a high level of appointments. Mr. Sullivan emphasized that the real goal of such a program should be to eliminate the bad practices and bad agents from the business rather than to restrict to a chosen few the privilege of engaging in selling. He cautioned that "obviously any law that might be fostered to solve this problem should recognize Kansas conditions and be tailored to solve these conditions."

Walter Dithmer Speaks

Speaking on "Blockers and Ball Carriers," Walter D. Dithmer, field supervisor of Western Underwriters Assn., said that public relations is paramount in business today and pointed out the need for favorable public opinion on the side of capital stock insurance. The business has been too modest during the past 70 years, he said, in telling its story of spending huge sums to reduce its income to the point that average fire rates have been cut from \$1.15 to 61 cents in 40 years. He mentioned the intensive public relations program that is under way sponsored by company organizations with the objective of having the companies doing the preparatory work and the agents carrying through.

share their knowledge since there is business enough for all. In closing he challenged each agent to do his best for the customers already on the books.

Big Market Available

A review of "Fire Insurance in a Changing Economic Order" was given by James C. O'Connor, who emphasized the increased insurance market today brought about by greater earning power and increased inventories and property values, coupled with an increase in business and industrial firms and properties. The business is in a healthy condition now and the long range picture appears extremely favorable. Failure to realize opportunities and take advantage of them, failure to keep abreast of the times, and failure to look out for competition could change that picture, Mr. O'Connor warned, stating that "complacency may be the greatest danger in the business today."

He said that personal insurance offers the best prospects. Individuals need it, want it and have the money to pay for it. There are seven million more families now than before the war and all have money and property. Mr. O'Connor opined that a business slump would not change the prospects of the insurance business.

Credit Man Speaker

The closing speaker was Edwin B. Moran of National Assn. of Credit Men. He challenged the agents and companies to provide and properly sell adequate protection for "business wrecking haz-

ards." He recited examples of firms that went out of business following losses that could have been protected with insurance and reviewed the results of a survey that showed that the average business is not protected above 60% with fire and E.C.; only 52% have automobile, only 15% liability; 10% dishonesty; 39% B. I. on manufacturing plants; 12% B. I. on mercantile; 12% extra expense, while only 5% of the firms carry business life insurance.

A smart credit executive can create more need for insurance than an agent can go out and sell, he said. Insurance is the fifth "C" of credit, the others being character, capabilities, capital and conditions. The credit association is conducting an educational program on insurance and Mr. Moran added that the association never holds a convention without security liability insurance and asked if insurance associations do the same.

Hold Open Forum

Preceding the closing business session, an open forum panel covering any subject for the good of the business was conducted with James C. O'Connor as moderator. Participants were Messrs. Duffus, Casler, Sullivan, and L. A. Magill, assistant manager of Kansas Inspection Bureau. This was a lively session, with Mr. Duffus explaining the New York anti-coercion law more fully. The speakers emphasized the need for private insurance to find ways to provide insurance for all, or the eventuality might be the state taking over.

There was a record turn-out for the farm writing agents breakfast which preceded the opening session Thursday. Helpful sales hints on marine coverage for farmers were given by H. W. Casler. Cattle and livestock, farm equipment, personal property floaters were among the coverages explained, and all were described as "not hard to sell." In discussing the P.P.F., Mr. Casler cautioned the agents to take care in underwriting and to pass up the irresponsible farm tenant. Presiding was Laurin W. Jones, who urged the taking of inventory on farmers' personal property. He related the case of a mail carrier who had only \$800 coverage with an inventory of \$11,800. The line was increased to \$8,000. The agent may not sell a P.P.F., but a careful survey and inventory will probably result in increased lines on extended coverage, residence theft or on other needed cover.

Duffus Shows Accident Films

Another pre-convention treat was a showing by Roy Duffus of his accumulation of fire and accident prevention motion pictures.

At the organization meeting of the executive committee, committee appointments were approved to include Harry Hasler, Eldorado, fire prevention chairman; Dorth Coombs, Wichita, safety; Alex Case, Marion, farm writing agents; Byron R. Brittain, Newton, membership; Paul Heinz, Jr., Topeka, finance; Retiring President George F. Bacon, Eldorado, conference; Robert S. Charlton, Lawrence, local board and education; Cliff Tozier, Kansas City, speakers bureau; Carl Guilkey, Independence, grievance; and Webb Woodward, Topeka, legislative.

L. J. Heinemann and Fred Gruber of the Heinemann-Gruber agency, Garden City, attended the meeting and flew their own plane to Topeka. The agency is located about 350 miles from Topeka. They covered the distance in two hours and ten minutes. Both Mr. Heinemann and Mr. Gruber were pilots in war 2.

Even H. Browne, Jr., Kansas City was chairman of the resolutions committee.

Casler Describes Broad Market for Transportation Cover

H. W. Casler, western marine manager of American, addressing the Kansas agents, stated that transportation insurance is an important field not sufficiently understood by many producers and shippers. The sales potential for this type of business is almost limitless, he added, and represents a type of protection that is important to the economical and efficient operation of the modern business firm.

Being somewhat different from the average insurance policy, transportation cover represents a mystery to a good many people, and as a result, this business has not been developed nearly as much as it could be.

A merchant or manufacturer with a sizeable inventory wants a complete record of his stock and insists on knowing exactly where it is located. He would keep it adequately covered with insurance. It is somewhat paradoxical, Mr. Casler observed, that all over the country there are merchants and manufacturers shipping immense volumes of merchandise without a bit of real insurance protection. This property is frequently of high value, travels by all modes of conveyance, many times under unfavorable conditions, and invariably is without any control on the part of the shipper. The shipper is depending, somewhat hopefully, upon the protection granted under the bill of lading or upon the insurance the truckman may be required to carry either by the interstate commerce commission or the various states. While the shipper will have a certain amount of protection, if the property was destroyed by wind or flood, or other "Acts of God," the bill of lading specifically exempts the carrier from liability for loss.

Newman Appointed Eastern Secretary

Paul W. Newman has been appointed secretary of the eastern department of Travelers Fire and Charter Oak Fire.



Paul W. Newman



Frank W. Young

He succeeds Frank W. Young, who will continue with the companies in a consulting capacity.

Mr. Newman joined Travelers in 1925 as a special agent at Worcester, Mass. He was made manager of fire and marine lines at that office in 1927, where he served until 1936 when he became

an assistant manager at Philadelphia. He was appointed manager at Pittsburgh in 1940 and went to the home office in 1946 as an assistant superintendent of agencies.

Mr. Newman began his insurance career with Henry J. Ide general agency at Boston in 1920. In 1923, he joined the eastern department of Fireman's Fund as chief examiner for New England and Canada and served in that capacity for two years prior to his affiliation with Travelers. He is a native of Lynn, Mass.

Mr. Young, who is retiring as secretary of the eastern department of the fire companies, has been with Travelers since 1926 in that post. A native of Toronto, he was educated in the public schools in Brooklyn. He had served a number of companies in the field throughout the eastern states. Starting as an office boy with the United States branch of Norwich Union, he left the post of general agent in charge of the eastern territory of Commercial Union to go with Travelers.

Premier of San Francisco and Universal Underwriters of Kansas City, have been licensed in New Jersey.

Kansas Notes

During the convention, W. C. Hodges, manager, and L. A. Magill, assistant manager of Kansas Inspection Bureau, were kept busy showing visiting agents through the audit department which has been established during the past year.

For the buffet-stage entertainment on the opening night following the golf tournament, Western Casualty was again host. Vice-president C. C. Otto welcomed the 200 guests and presented the company representatives.

L. J. Feeney, American Fore secretary, was on hand with A. H. Cook, and C. E. Bean, state agents.

George R. Pape, assistant manager of Providence Washington, and State Agent John L. Lockwood, represented their company.

The Cimarron companies, Cimarron, Kans., were well represented by Secretary Leigh Warner; vice-president W. R. Martin, and Earl W. Strong, R. D. Norton, and Mike Hilgers.

Homer H. Minnich, Kansas manager of Central Surety, was assisted by George W. Dyer and James F. Tierney, of the home office.

A. L. Roach, vice-president, and R. L. Bernard represented Anchor Casualty. Frank M. Callihan, Phoenix-Connecticut inland marine manager, Oklahoma City, was on hand with Kansas State Agent Nick Kleber and Special Agent Max Marshall.

W. M. Kroll, Kansas City manager; M. K. Ramsey, assistant manager, and Nell J. Fields, special representative, represented Fidelity & Deposit.

Jim Helms, branch manager of Ohio Casualty at Kansas City, was much in evidence.

Harry F. Parker, resident manager and L. L. Lucas, represented Maryland Casualty.

Aetna Casualty had a large delegation headed by W. Gordon Kellner manager at Kansas City.

At the Home headquarters were R. L. Yocum, manager of Home Indemnity; R. V. Reiter and J. E. Harper, special agents, and K. B. Wallace, claim manager. Curtman Maupin, state agent; Ed McDermott, associate state agent; R. J. Rice, L. W. Hayes, and George L. Steeples, special agents, and Don N. Brissman, engineer, represented the fire company.

C. E. Stiehl, assistant secretary of London & Lancashire, was assisted by State Agent John E. Wilkinson of Oklahoma City at their headquarters.

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Bacon Reports on Impressive Year

(CONTINUED FROM PAGE 23)

out-of-state unlicensed companies doing business in Kansas, but opposed a bill providing the taxing of attorney's fees as costs in legal action, for damage caused by the negligent operation of motor vehicles. This bill was defeated.

Two bills which the association supported, upon which much work was done, were defeated. They were the revised financial responsibility bill, which put teeth in its effectiveness, and was lost at the last minute in the crowded calendar, and the bill to separate the agricultural extension service from the farm bureau and any and all other associations engaged in commercial or political activities. This bill was defeated.

There are many objectives still to be attained for the good of the industry, Mr. Bacon declared. Objectives were adopted by resolution two years ago upon the recommendation of the five year planning committee. Paramount among them was an agent's qualification and licensing law. The wheels have been set in motion in pursuance of that law, but it is realized that the cooperation of all branches of the business, as demonstrated in Arkansas, will be necessary in order to reach a common ground upon which to base an equitable law.

Research and study has been started relative to a revision of the Kansas insurance code.

Strides have been made in the drivers' education program. More and more high schools have made drivers' education a necessary adjunct to the curriculum. While the adoption of the program has been optional with local boards of education, it has met with such success, that in the near future a high school without this vocational training will be the exception, he said. It is hoped that legislative action requiring this subject in all schools will be forthcoming.

J. C. Dulany, executive state agent and dean of Kansas field men, and State Agent L. H. Singleton, both of Oklahoma City, were on hand representing the Sun. Mr. Dulany will celebrate his 50th anniversary with the Sun in February.

Assistant Manager Chester L. Zook was out from Chicago to officiate at National headquarters. He was assisted by the Kansas field force.

W. S. Whitford, president of **Millers National**, a former Kansas field man, and State Agent Harold E. Holtz were greeting their friends.

Secretary R. K. Hill was on hand at the **Springfield F. & M.** quarters along with Allan F. Wilson, Chas. T. Nichols, Dean S. Jaeger, and C. J. Gunther of the field force.

Vice-president Cecil McGee was assisted at the **Kansas City F. & M.** quarters by A. H. Lindsey and Gene K. Thomas, state agents.

Earl H. Shaw, secretary of **Fidelity & Guaranty**, and another former Kansas field man was on hand with E. Rawling Hobbs, state agent and O. R. Leeds, automobile manager.

Mid-West Insurance Buyers Hear Hamilton, Neale

An interesting and informative program was presented by Mid-West Insurance Buyers Assn. at its October meeting. John A. Neale, vice-president and chief engineer of Underwriters Laboratories, and W. W. Hamilton, manager Chicago Board, were the speakers.

Mr. Neale briefly reviewed the history of Underwriters Laboratories, supplementing his talk with a movie which showed the methods used in testing various devices. Mr. Neale said the laboratories test products only at the request of the manufacturer. The organization is non-profit and entirely self-supporting.

Mr. Hamilton urged the buyers to join with producers and companies to see that the states discharge their supervisory duties and obligations. If they do not, he warned, federal supervision will supplant state supervision. Buyers also must cooperate with producers and companies in backing legislative measures which insure supervision at the state level, he added.

President Gordon Purtell, American National Bank, conducted a business session after which the meeting was turned over to Malcolm Tait, Commonwealth Edison.

Wisconsin Mutual Group Has Educational Session

MILWAUKEE—Agents of the 36 mutuals comprising Wisconsin Federation Mutual Insurance Companies attended the convention of the organization here. Mutual company officials, field men and adjusters also attended. The annual meeting of the federation will be held in December.

Herbert W. Roehr, Cream City Mutual, Milwaukee, opened the convention Tuesday morning. Speakers at that session were Bruce Stake, St. Louis, on "Sell the Payoff;" J. Archer Kiss, sales psychologist, Chicago, discussing "Solving the Human Problems in Salesmanship," and U. S. Senator Wiley of Wisconsin on "What's Happening in Government."

At the banquet Tuesday night, Commissioner Lange of Wisconsin was guest of honor and extended greetings from the department.

Operations of the Fire Insurance Rating Bureau were discussed and suggestions on how to secure the most efficient and prompt services were offered by N. C. Martin, superintendent of audits, Milwaukee. He was followed by R. G. Houren, chief fire department engineer, Merrill, Wis., who spoke on coordinating the work of city and insurance company inspectors.

Gaumnitz Stresses Education Needs

The need of continued study to expand knowledge and keep up with new ideas and developments in insurance through educational courses offered by schools and companies, as well as trade journals and other literature, was emphasized by Prof. Edwin A. Gaumnitz, University of Wisconsin. He is in charge of insurance courses at the school.

An agents panel on current underwriting topics was conducted Wednesday afternoon. E. P. Hockings of Janesville discussed "Getting New Prospects;" M. B. Victoria, of Muscoda, "Agency Management," and Carl Seiler, La Crosse, "Selling Special Coverages."

The concluding feature was an insurance quiz conducted by a Wisconsin 1752 Club committee. The panel handled a large variety of questions submitted by agents in writing and gave awards to those who answered the questions correctly.

Badger Visits Salt Lake

Harry F. Badger, executive secretary of Pacific Board visited Salt Lake City for a conference with A. A. Ross, engineer of the board's Utah office and with Utah agency leaders including Ralph D. Callister, vice-chairman Far West Agents Conference; Sherman T. Hunter, fire prevention chairman of Utah Assn. of Insurance Agents, and Merrill K. Davis, executive secretary and counsel of the Utah association. Mr. Badger outlined new phases of the board's extensive engineering program now under way in Utah and solicited suggestions and endorsement of it from the Utah men.

Field Men Hold Day Long Rally

Kansas Fire Underwriters Assn., Kansas public relations committee and Kansas Fire Prevention Assn. conducted a one-day session at Topeka the day preceding the Kansas convention.

More than 70 attended the Kansas F.U.A. meeting at which E. P. Janousek, Security of New Haven, presided. Vice-president William F. Ehret, America Fore, who was transferred during the summer to Albuquerque, N. Mex., was voted an honorary member. Kenneth Ross, new president of Kansas Assn. of Insurance Agents, was a guest.

Walter G. Dithmer, field supervisor, Western Underwriters Assn., outlined the public relations program of that organization and Western Insurance Bureau at the public relations committee meeting. N. K. Nelson, Great American, state chairman of the committee, reported on the public relations conference conducted last month in Chicago.

John L. Vorse, Royal, presided at the fire prevention meeting at which Governor Frank Carlson of Kansas was voted an honorary member. Emmett Cox, Western Actuarial Bureau, conducted an inspectors' school.

In his review of fire prevention activities, Mr. Vorse mentioned the fire prevention week organization on a statewide basis, increased fire safety instruction in the schools, establishment of a speakers' bureau, the hospital inspection program, and educational and public relations program.

Ask Va. Long-Haul Boost

No opposition was registered to proposals for increases in long-haul trucking rates presented by insurance people before the Virginia state corporation commission. T. Justin Moore testified for the National Bureau of Casualty Underwriters and John J. Wicker testified for Mutual Casualty Insurance Rating Bureau that rates on the long-haul truckers have not been changed since 1940 when they were cut. The two attorneys argued the heavier losses and higher costs justify an increase as part of the nationwide readjustment of charges.

Arthur L. Shewmake appeared for Virginia Mutual and John C. Goddin for State Farm Mutual and Farm Bureau Mutual of Ohio and the Virginia Passenger Bus Assn. T. Nelson Parker represented the Virginia Assn. of Insurance Agents.

Buyer's Conference at Lowell

The Norcross & Leighton agency at Lowell, Mass., is sponsoring an executives and insurance buyers' conference at the Vesper Country Club there Nov. 2, starting with a luncheon. Nationally known speakers will talk on insurance topics, and there will be panel discussions.

Ohio Insurance Service Corp. of Columbus has been incorporated by J. R. Klosterman, Don Lackey and Earl Richards. The organization is to assist in finding reinsurers or underwriters in fire and allied coverages and to set up auditing, accounting and bookkeeping services.

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Douglas and Forbes on Speakers List for N.A.I.I. Meeting

Nov. 3-4 Convention to Take Up New Casualty Business Phases

Program features for the annual meeting of National Assn. of Independent Insurers at the Edgewater Beach hotel, Chicago, Nov. 3-4, are announced by Vestal Lemmon, association manager.

Sen. Paul H. Douglas of Illinois, an authority on economics and other political matters, will head a list of distinguished speakers. Attendance of 300 is expected. The association now has 151 members and subscribers whose premium writings exceeded \$500 million in 1948.

Registration Thursday morning, Nov. 3, will be followed by the welcoming address by Harry B. Hershey, director of insurance of Illinois. Alex R. Nelson, N.A.I.I. vice-president, will respond. John H. Carton, Wolverine, will deliver the presidential address, after which temporary group chairmen will hold caucuses for the purpose of electing new board members.

Manager's Report Slated

Mr. Lemmon will give the manager's report immediately before David A. Forbes, Michigan commissioner and president of National Assn. of Insurance Commissioners, speaks on "Rate Regulation in Action."

Multiple line underwriting will be covered in the talk by Walter L. Hays, N.A.I.I. vice-president and president of American Fire & Casualty.

Sen. Douglas will speak on "Economy in Government" following luncheon, and Thomas A. White, assistant counsel for Employers Liability, will discuss "Operation of the Massachusetts Compulsory Automobile Liability Insurance Law."

"The Saskatchewan Plan—a New Danger to Private Insurance" is the topic of the speech to be given by Henry S. Moser, counsel for Allstate. Uniform accounting will be taken up by John Stuart, president of Insurance Accounting & Statistical Assn. and comptroller of Employers Casualty and Texas Employers, Dallas.

Crime Coverage Is Subject

Deputy Superintendent Thomas C. Morrill of the New York department will talk on "The Limitation of Figures," and Harold O. Molitor, production manager of the dishonesty insurance department of Continental Casualty, will take up "Comprehensive Crime Coverage and Suretyship."

The second-day program will be opened with an address, "Pensions or Profit Sharing Arrangements for Insurance Company Employees," by Edward D. Brown, Jr., consulting actuary, Chicago. Albert L. Plummer, general attorney for Bruce Dodson & Co., Kansas City, will talk on "Affiliation with Combined Claims Committee."

The talk by Dudley M. Pruitt, actuary for General Accident, will deal with "Developments in Treatment of Loss Expense," and "Insurance on the Washington Merry-Go-Round" will be the subject of Harry Perlet, assistant insurance department manager of U. S. Chamber of Commerce.

C. L. Morris, secretary-manager of Illinois National Casualty, will speak on

Brewster Explains Teen Age Drivers' Influence on Auto Liability Rates

Too many of the 30,000 deaths and millions of injuries on the highways each year are due to the teen age driver, declared William H. Brewster, manager automobile division, National Bureau of Casualty Underwriters, New York City, at the National Safety Congress at Chicago.

Mr. Brewster said that during the past year New York University Center for Safety Education has been engaged in a series of studies of state accident records, working in cooperation with state motor vehicle departments, to get at the facts as to accident-involvement of different age groups.

The study shows, Mr. Brewster explained, that of 750,000 Connecticut drivers the percentages of those involved in accidents were: 1.2 ages 16-19; 1.6 ages 20-24; 1.2 ages 25-29; and .8 ages 40-44. Of 1,500,000 Massachusetts drivers the percentages were: 1.6 ages 16-19; 1.6 ages 20-24; 1.5 ages 25-29, and .8 ages 40-44. Of 1,500,000 Wisconsin drivers the percentages were: 1.6 ages 16-19; 1.6 ages 20-24; 1.5 ages 25-29, and .9 ages 40-44. Of 2,180,000 upper New York drivers the percentages were: 1.0 ages under 18; 1.7 ages 18-20; 1.7 ages 21-24; 1.2 ages 25-29, and .9 ages 40-49.

Age 25 Good Breaking Point

Mr. Brewster pointed out the conclusion indicates age 25 is a reasonable breaking point for rating purposes. The figures for Massachusetts and Wisconsin do not show any differential in hazard between those under 20 and those in age group 20-24. However, the Connecticut and New York figures favor the teen age as against the 20 to 24 year olds. The further breakdown of the New York figures indicates that this superiority is only at the lowest end of the permissible driving age. This may be due to a lower exposure in miles traveled per year and not necessarily to better driving habits, Mr. Brewster opined.

"On the strength of these studies and the post-war loss experience of the casualty companies," Mr. Brewster said, "we found it necessary in 1948 to revise the method of classifying and rating private passenger automobiles to reflect higher rates for operators under 25 years of age. Within the past few months we have had to pitch the automobile bodily injury and property damage rates for youthful operators in some states at a level even higher than the basic rates for private passenger cars used in business where the annual mileage figure is high and the highway exposure substantial.

"While it is our responsibility to establish automobile liability rates which will be adequate we do not believe that by increasing rates we shall solve the

"Policy of Adjustment and Settlement of Third Party Automobile Property Damage Claims," followed by J. W. Hughes, executive vice-president of Farmers group, Los Angeles, who will explain "Rate Regulation from the California Viewpoint."

Luncheon will precede a resume of 1949 insurance lawmaking, "Highlights of Legislation in 1949," by Erwin A. Meyers, chairman of the N.A.I.I. legislative committee. "Filing Procedures Proposed by Departmental Rating Deputies in Various Zones" will be outlined by H. E. Curry, actuary of State Farm Automobile Mutual, previous to the executive session that will close the convention.

A meeting of Independent Statistical Service, a department of National Assn. Independent Insurers, will follow immediately and continue through Saturday morning, if necessary.

problem of the accident record of teen age drivers and operators in their early 20s. We are convinced, however, that the rate problem will be solved just as soon as youthful operators with the example and guidance of their parents and teachers fully realize their responsibility to others while enjoying the privilege of driving modern automobiles over our highways."

The driver-education and training courses which are becoming more and more a part of our education system are serving a good purpose, Mr. Brewster said. Through this training, he continued, the youthful operator gains a good working knowledge of the correct operation of an automobile and is impressed with the proper attitude and the need for his exercise of consideration for others while operating cars. Mr. Brewster emphasized that the youth learns the meaning of alertness and careful operation, the danger of excessive speed and that he has no right to endanger the lives of others by weaving in and out of traffic lanes with many "near misses."

Must Develop Driving Attitude

"We should not lose sight of the fact that the best driver-education course cannot possibly be the panacea for the serious problem of accident-involvement of youthful or teen age operators. Driving attitude developed over a period of years is by far the most important factor in the automobile accident record of teen age operators."

In automobile liability rate-making, Mr. Brewster pointed out, accident frequency and the cost of settling claims are directly reflected in the loss cost portion of the rate. He went on to say that rates are not picked out of the air but rather are the result of thorough and systematic review of experience. To the extent that the youthful operator comprehends the serious results of thoughtlessness and carelessness in the operation of automobiles so will he help to reduce the number of accidents, the cost to the insurance companies and the final cost to himself or his parents in the form of automobile liability rates, he added.

Mr. Brewster predicted that as more and more states appreciate the value of driver-training courses for teen ages and include such courses in the required curricula of our schools, much more widespread improvement in the operation of cars by youthful operators should be realized. He said that if teen ages gain a good start through driver-training they should early learn the value of alert and careful operation and retain the right attitude with respect to consideration for others on the highways.

Determined by Man Behind Wheel

"We are informed that the teen age operator is quicker in his reactions and responses than the operators over 25 years of age. However, his most unsatisfactory accident record proves that his ability to react quickly in emergencies is more than offset by his daring and willingness to take chances. The son whose father furnishes him with a high-powered convertible gets a great kick out of 'showing off' to his chums and associates by 'stepping on it' with reckless abandon."

In the final analysis, Mr. Brewster said, automobile bodily injury liability and property damage liability insurance rates are determined by the man behind the wheel, no matter what his age may be. There will be improvement in the present bad driving and accident record of youthful operators, he said, only

(CONTINUED ON PAGE 36)

Government Move to Enter Bonding Field Indecisive

Parley Fails to Show Surety Representatives What U. S. Wants

WASHINGTON — Conference last week between government officials and representatives of surety bond interests over the subject of bills pending in Congress proposing various methods under which the government would go into the bonding business, is described by some industry representatives as having been helpful.

The matter was described as still in the study stage by Assistant Comptroller General William Ellis. He added that there will be more meetings and negotiations will continue.

The surety interests had no written report to submit, no definite recommendations. Surety people indicated they would seek answers to difficulties.

Ellis said the project has "many angles and details to work out." It was indicated "bugs" remain to be eliminated from various proposals for government bonding.

On behalf of the industry, it was said the companies had no definite proposals because they were puzzled by what the government wanted.

Economic Angle Stressed

The government idea, it was said, is that the system of bonding should be more simple and cheaper, particularly the latter.

The Hoover commission report recommended a continuing study of federal officials' bonding and creation of a federal fund to be contributed to by employees and officials, which added impetus to consideration of the question, source of several bills presented in past years but not passed by Congress.

One proposal, that the government buy one blanket bond, was declared impossible. Administrative cost of adding to and deducting from bond schedules might exceed the cost of the system of individual bonds, it was believed.

Howard Starling, Washington representative Assn. of Casualty & Surety Companies, asserted, "If the government will tell us what it wants, we can tell them what the cost would be."

Mr. Ellis referred most questions to the surety interests, but Mr. Starling has said the affair was the GAO's "baby."

The surety companies were reported as not feeling too badly about the possibility of losing the business of bonding postoffice employees, which they have had to write at rates ranging from 35 cents to 80 cents per employee, it was said, as they could make no money on such business except on a schedule basis for groups of employees.

Bad Precedent Feared

However, the surety interests fear a postal government bonding fund might establish a precedent under which the government might go into other lines of bonding. For instance, bonding of government contractors, construction, etc., which could run into big money, it was said.

Surety interests have opposed various proposals considered by the Treasury Department and budget bureau for government bonding funds, self-insurance in

(CONTINUED ON PAGE 36)

Few Objections to First New York Rules On T.D.B.

About 350 were present at the first public hearing on the proposed regulations for the New York state disability benefits law held in Albany by the Workmen's Compensation Board. Although there were some labor objections and suggestions, there seemed to be general satisfaction with the law and the suggested regulations.

The meeting was much shorter than expected probably due to the announce-

ment of Mary Donlon, board chairman, that she would accept written comments for an additional 10 days. Much more discussion of the rules is expected from the correspondence.

The regulations covered only a part of the act. Most of the discussion concerned aspects of the law which become effective Jan. 1, 1950, such as the assessment of the tax to build up the fund for payment of the disabled unemployed and problems of existing new plans. Statistics, claim handling and definitions, as well as revisions based on the hearing will probably be the subject of another hearing late in November.

Labor, employers, and insurers were well represented at the hearing. Labor

representatives objected to the rule concerning casual employment which, they said, under its present phraseology, would exclude from coverage waiters, longshoremen, bartenders, and employees in construction trades and others where employment is not always on a regular basis.

Labor also objected to the sections relating to the right of an employee to choose whether the benefits under an existing plan are "at least as favorable as the minimum required by the law." Unions object to giving individuals the right to choose under this section and indicated they thought the trend was for unions to speak for the individual.

Considerable discussion was devoted to longshoremen with employers and employees generally dissatisfied with the regulations on that subject although all admitted that it was very difficult to get anything to fit their problem. It is difficult in that field to determine which longshoremen are full time and which are casual. Modifications were wanted but no one seemed quite sure of what form they should follow.

Unions also indicated that when an industry wide plan is in effect and a new employer appears on the scene it ought to be possible for him to qualify under the existing plan instead of having a brand new one. Some employers agreed with this view. A representative of the International Ladies Garment Workers Union said existing plans should not be used to permit an employer who has a sub-standard plan to continue it when the plan is renegotiated. He said that when it was rebargained it should at least equal the minimum benefits stated in the law.

Insurance and employer representatives with few exceptions, expressed general satisfaction with the law and the proposed regulations. Among those who spoke were J. Henry Smith, Equitable Society, who represented the Life Insurance Assn. of America and the American Life Convention; Richard Wagner, Assn. of Casualty & Surety Cos.; Carl Typermass, Lumber Mutual; Joseph P. Craugh, National Assn. of Mutual Casualty Cos.; Michael Murphy, Assn. of New York Mutual Insurance Cos.

State Farm Holds Regional at San Jose

A number of talks, presentation of awards, a panel on multiple line insurance and a banquet marked the two-day regional convention of the State Farm companies at San Jose, Cal.

Speakers the first morning included S. G. Denner, associate state director for California; Hans Lie, Mountain View, who gave the invocation; A. M. Stanley, California state director, who led the memorial services; J. H. Miller, Berkeley, vice-president of State Farm Life, who presented the California chapter of the Society of Bell Ringers; Claude S. Beatty, Pacific Coast manager of "Saturday Evening Post," and D. V. Flippo, agency supervisor at Berkeley, who presented awards.

Following talks by G. J. Bockrath, California, state office manager, and John D. McClurg, district manager at Berkeley, there was a "multiplier" panel that afternoon with John Costa, Pittsburgh, Cal.; G. E. Long, Tule Lake; F. N. Irwin, Sacramento; W. J. Manley, San Diego, and A. F. Isensee, Vallejo, as participants.

Frank W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER, was the closing speaker.

Following a chuck wagon breakfast the next morning, Mr. Flippo called the meeting to order, speakers being Leo W. Collar, San Francisco, who gave the invocation; D. C. Hill, district manager Vallejo; B. R. Johnson, Berkeley; M. P. Goelzer, Berkeley, vice-president State Farm Mutual; R. P. Mecherle, president State Farm Mutual; Mr. Danner, Orland Ford, district manager at Long Beach; M. A. McBride, Long Beach, President Adlai H. Rust of State Farm Life; and Mr. Stanley.

Georgians Would Retain Present Casualty Formulae

ATLANTA—The present formulae for casualty experience and schedule rating "should remain as now constituted," it was concluded by the executive committee of Georgia Assn. of Insurance Agents at a meeting here.

In a letter to James M. Cahill, secretary of National Bureau of Casualty Underwriters, Harry M. Carter of Savannah, chairman of the Georgia association's conference committee, stated the association's opposition to the "withdrawal of the optional features now incorporated and also feels that the judgment rating features should be retained." Mr. Cahill had solicited the association's opinion in the matter prior to the recent N.A.I.C. zone meeting at Louisville.

Membership Drive Launched

A concerted membership drive, in which all members of the executive committee will participate, was announced by Homer B. Harris, Thomaston, chairman of the membership committee. The program is one of the most extensive conducted by the association for many years, and was supported unanimously by the committee.

The association adopted a report of its accident prevention committee, submitted by Chairman Charles W. Cook of Moultrie, urging regular inspection of motor vehicles, "grounding" of school buses when declared to be mechanically unfit, cooperation in a driver education training program, and enactment of the President's Highway Safety Conference uniform traffic code.

Steps toward resubmission of a financial-safety responsibility law were also approved by the executive committee, of which John R. Hall, Jr., Augusta, first vice-president of the association, is chairman. The subject was presented by Rufus C. Harding, Toccoa, member of the committee.

In recognition of his outstanding work in association affairs for several years, James C. Dunlap, Atlanta, was presented a watch by Herman J. Haas, past president. Reports were also made by President John H. Davis, Gainesville, and William M. Fambrough, state national director. Lewis Gordon, vice-president of Citizens & Southern National Bank, spoke of the many opportunities now opening for agents to cooperate in the bank-agent auto plan for financing and insuring car sales.

George DuR. Fairleigh, the new executive secretary of the association, was introduced by Mr. Hall and outlined plans for strengthening the organization.

Wisconsin Gets Award for Safe Driving Instructions

MADISON—Governor Rennebohm has accepted a bronze plaque honoring Wisconsin for progress in the instruction of safe driving in the state's high schools during the past year. Presented by the Assn. of Casualty & Surety Companies as a part of its driver educational award program, the plaque represents the superior award given for maintaining adequate driver training courses in more than half of the state's secondary schools, with more than half of all eligible students enrolled. It was won by Wisconsin for the second successive year.

American H. & L. Promotes Two

Densel Dean, Amarillo, has been promoted to district manager of American Hospital & Life and will include in his territory the Lubbock, Tex., agency, of which James Martin is manager. Max Derden, Corpus Christi, has been promoted to district manager and will have the Rio Grande Valley under his supervision.

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GUARANTEE INSURANCE COMPANY
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Company Committee Holds Mail Order Parley at Chicago

The subcommittee on unauthorized insurance of the all-industry committee held an all-day meeting at Chicago Tuesday for consideration of the proposed limited license law for mail order insurers and the comprehensive review of the mail order problem which was prepared by George H. Kline of the New York department and submitted at the Seattle convention of N.A.I.C. There was a thorough discussion of both topics from all angles but no definite action was taken.

Cecil C. Fraizer, general counsel of H. & A. Underwriters Conference, one of the co-chairmen of the subcommittee, presided. J. F. Follmann, Jr., Bureau of A. & H. Underwriters, the other chairman, was unable to be present. Others in attendance were C. O. Pauley, managing director H. & A. Conference; Henry Moser and Robert Morris, representing National Assn. of Independent Insurers; A. V. Gruhn, American Mutual Alliance; Ray Murphy and Marcus Abramson, Assn. of Casualty & Surety Companies; P. J. Berry, National Board of Fire Underwriters; W. Lee Shield, American Life Convention; Henry R. Glenn, Life Insurance Assn. of America; M. G. Hubbard, commercial travelers organizations, and Felix Hebert, factory mutuals.

Application of Wage Act Poses Question

WASHINGTON — The status of agents and other insurance workers with relation to the new federal wage and hour act is engaging attention here. That act increases the minimum wage from 40 cents to 75 cents per hour of employees in "any closely related process or occupation directly essential to" production of goods for interstate commerce. The old law covered employees "necessary" to such production.

Howard Starling, Washington representative of Assn. of Casualty & Surety Companies, said property agents do not come under the new act because they are not employees, but independent contractors, but that life agents are under it because they are employees of the companies.

Harry Weiss of the Department of Labor, who was in on conferences in connection with the framing of the new act, said it makes no change in the law with respect to the status of agents.

"The question of coverage would have to be determined in each individual case," he said. "If an agent was independent contractor before passage of the Act he will retain that status. If he was an employee, his status is not changed."

Revision Considered

Mr. Weiss said that the department is considering revision of a regulation with reference to the status of certain outside salesmen. The latter group may include some insurance agents, he suggested.

Office employees and maintenance of insurance companies are covered by the new bill, Mr. Weiss said. He suggested that insurance employees generally are engaged largely in interstate commerce activities.

Congressional committee staff specialists say it makes no change in agents' status. They point to a statement of the House conference committee that provision for exemption of employees of retail service establishments from the act is not intended to apply to insurance companies or banks.

Specialists suggested that insurance companies may wish to litigate the question.

There is an implication that the new act covers insurance companies and em-

ployes because insurers engaged in interstate commerce through collection of premiums by mail, etc. A company typist who fills in a policy form is engaged in production of goods for commerce and her service would be "directly essential" to such production, it is contended.

Hospital Rates Up Again

WASHINGTON — Group Hospitalization, Inc., has again increased its rates from \$1.10 to \$1.30 per month for single coverage and from \$2.75 to \$3 per family. The special husband-and-wife rate of \$2.50 is discontinued.

Heretofore confined to groups, it has also started writing individuals at rates estimated at 20% higher than group rates and not including maternity benefits. The \$1 enrollment fee will be discontinued.

Sypal Field Supervisor

William Sypal has been appointed A. & H. field supervisor in the agency department of American Reserve Life, Omaha.

Mr. Sypal formerly headed the A. & H. department of a large general agency.

During the war, he served with the air corps in the Pacific.

Calls Tenn. Hearing on Experience Rating Plans

NASHVILLE—Commissioner Allen has notified all casualty and fire and casualty companies licensed in Tennessee of a hearing Nov. 15 to afford an opportunity to show cause why sections 3 and 5 of the experience rating plans, in their present form, should not be disapproved.

The notice says the department realizes that, of necessity, there must have been a transitory period from non-rate regulation to rate regulation but considers that the Tennessee rate regulatory laws have been in operation long enough for such transition to have been accomplished.

Selected Risks Dividend

Selected Risks Indemnity of Branchville, N. J., has declared a stock dividend of 5,000 shares, payable on the basis of one share for each 10 shares held by stockholders of Nov. 1.

Following the dividend, the capital

will have been increased from \$500,000 to \$550,000. The voluntary reserve will have been decreased from \$247,072 to \$197,072 and the surplus remains \$1 million.

\$80,000 Paid Estate


United States Guarantee has paid \$80,000 into the guardianship estate of Martin H. Licking, from which a Columbus funeral director allegedly embezzled \$75,749.

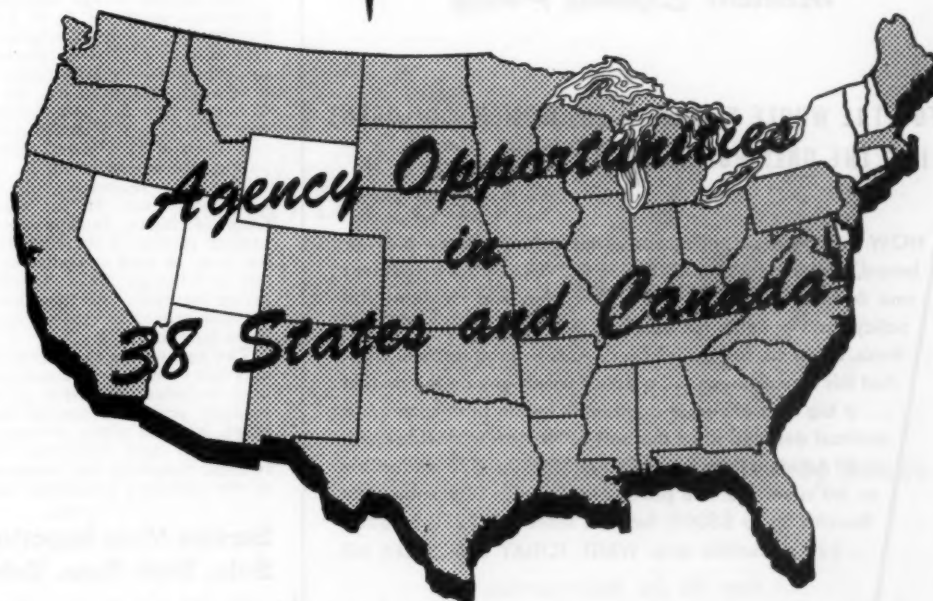
Andrew C. Straley of the Moody & Straley Co. is scheduled to appear in criminal court to face charges.

Zone 1 Eyes Examinations

NEW YORK—At the zone 1 commissioners meeting held at the New York department offices here the most extensive discussion centered around revision in the manual for conduct and calling of convention examinations of companies. Allyn of Connecticut, chairman of the zone, is also chairman of the commissioners' subcommittee in charge of the manual.

There was a general discussion of rate regulation in the fire and casualty side.

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ACCIDENT AND HEALTH

New Milwaukee Hospital Plan Effective Dec. 1

As a result of the success of the hospital admission plan put into effect in Chicago last December, which has been highly acclaimed by hospitals, insurers and insured, the Hospital Council of Milwaukee, in cooperation with the group writing companies, represented by Health Insurance Council,

has worked out a plan for use in that city, which will become effective Dec. 1. It provides a method for hospitals to determine accurately whether a patient seeking admittance has coverage under a group policy and the extent of such coverage. The procedure is considerably less elaborate than that used in Chicago. It merely calls for issuance by the employer of a certificate for the specific admission of an employee, which the latter will take with him when he

goes to the hospital. There would be no filing with the hospital in advance of information concerning group contract.

Two forms have been provided, one to take care of contracts in which a definite amount is allowed for room and board and a second definite amount for miscellaneous hospital expenses, and the second for the form of coverage where an over-all maximum is provided for room and board and miscellaneous expenses combined.

It has been found that in most cases a person knows a week or so in advance if he will require hospitalization. An employee should have sufficient time to advise his employer that he, or one of his dependents is to be hospitalized. On being so notified, the employer is to fill out in duplicate, sign and give to the employee the "hospitalization assignment form." Then, on admission, the employee turns both copies of the form over to the hospital. The hospital will accept this form as an assignment of benefits and, on release from the hospital, the patient will only be required to make a cash payment equal to the difference between his total bill and the amount of his insurance benefits.

One interesting feature of the Milwaukee plan is the inclusion of the uniform claim blank which has been adopted by American Hospital Assn. on the recommendation of Health Insurance Council and International Claim Assn. It will be printed on the back of the admission form, which will simplify the procedure still further.

Second Conference Regional at Des Moines Nov. 21

The second of the regional meetings to be held by the H. & A. Underwriters Conference has been scheduled for the Des Moines Club, Des Moines, Nov. 21, for companies in Minnesota, Iowa, Nebraska and Kansas City. An attendance of between 50 and 60 is expected. Dutton Stahl, Iowa State Traveling Men's, and Watson W. Powell, American Republic, are co-chairmen.

The first regionals will be held at Cincinnati Oct. 31 for companies in Ohio, Michigan, Indiana and the southeastern section of the country. A meeting is to be held at Dallas in December, one at Chicago, Feb. 13, followed by a group insurance meeting there Feb. 14-15, and others at Boston and Los Angeles later on.

The agenda for these regionals, which may not be exactly the same at all meetings, includes discussion of medical insurance, polio and special diseases coverage, hospital plans, over-age business, legislation and insurance department rulings, including the proposed revision of the standard provisions law.

Service More Important Than Sale, Utah Assn. Told

At the October meeting of Utah A. & H. Club at Salt Lake City, Elwood S. Romney, Business Men's Assurance, said insurance should be considered as a game, having certain rules and regulations which should be followed closely, combined with honesty and loyalty to the business itself and to the company represented by the agent. He regards these as fundamentals to success. He stressed the great need of rendering proper service to policyholders, especially after the sale, and said he feels that rendering of service after the sale is more important than the sale itself.

Walter M. Jones, B.M.A., chairman of a special committee appointed to inquire into the legality of newspaper publishers selling insurance, reported that the committee met with the insurance commissioner and it was decided to refer the question to the attorney general.

A. Harry Good, chairman of the educational committee, reported on plans for formation of an A. & H. class under the auspices of the extension

division of University of Utah. He recommended that someone from out of the state be employed to conduct the class.

Restrictions in Kansas on Use of Binding Receipt

Commissioner Sullivan of Kansas, who some time ago proposed to outlaw entirely the use of binding receipts in connection with A. & H. insurance, has receded from that position but has issued a ruling outlining nine requirements which must be met if they are to be used in his state. Some of these have been modified considerably from the original draft of the ruling so that they are more acceptable to the insurers, including permission for dating the receipts when the premium is paid instead of when the application is taken; changing wording which might have made the good health of the applicant at the time of application the only point to be considered in connection with insurability and the procedure to be followed if policy is not issued within 30 days.

Another ruling which has been a matter of some negotiation concerns payment to be made for listed or unlisted operations in surgical coverage.

The words "registration fee" to indicate initial charge made by the company for writing the policy are barred.

Income Brackets Raised

Commissioner Malone of Pennsylvania has approved a change in Blue Shield rules under which full payment for medical and surgical service will be made to subscribers in these income brackets: Person without dependent, \$2,000; with one dependent, \$3,000; more than one dependent (including income earned by dependents), \$4,000. The limits are now \$1,560, \$2,340 and \$3,120.

Brolsma Medical Director

Dr. M. P. Brolsma has been elected medical director of Woodmen Accident and Woodmen Central Life. He succeeds the late Dr. H. H. Everett, who was a vice-president of the companies as well as medical director.

Dr. Brolsma, a specialist in internal medicine, is a graduate of the University of Nebraska medical school. Following navy service, he studied at the Lahey Clinic in Boston on a fellowship. He returned to Lincoln in 1948 and has been in private practice.

Has Two New Policies

American Hospital & Life of San Antonio is placing on the market two new A. & H. policies. The "business and professional" policy, which covers accident from the first day and illness from the fourth day, will be sold to AAA and AA risks only. It provides lifetime payments for accident total disability and five years for illness. The second policy, sold to A risks, provides accident coverage from the first day for five years, and illness coverage beginning the fourth day for one year. The policy is known as the "individual income protection" policy.

Drop N.A.I.C. Committee Rally

The meeting of the A. & H. committee of National Assn. of Insurance Commissioners, originally scheduled to be held at Chicago, probably in October, for consideration of the bill to revise the standard provisions law and possibly the Downey minimum benefit proposals, has been abandoned and there will apparently be no meeting of the committee until shortly before the meeting of N.A.I.C. at Galveston early in December.

Daniel E. Mathias, Cleveland attorney, has been named executive secretary of the Ohio temporary disability insurance commission. The group was created by the legislature to study the feasibility of establishing a UCD plan.

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CHANGES IN CASUALTY FIELD

Travelers Advances McKay to High Post

Harold A. McKay has been named a vice-president of Travelers in charge of the casualty, fidelity and surety department.

Mr. McKay succeeds Tracy W. Smith, retired. Mr. McKay has been with Travelers since 1919 when he joined the organization as a counterman and attended the home office school. He served as a counterman in Syracuse and Minneapolis.



Harold A. McKay

He was named an assistant manager at Minneapolis and served as manager of casualty, fidelity and surety lines at St. Paul, Montreal, Rochester and New York City.

Between periods of field service, he was stationed in the home office as an agency assistant and assistant superintendent of agencies. He was made superintendent of agencies in 1940 and placed in charge of the New York city area. He returned to the home office in 1945.

A native of Haverhill, Mass., he is a Brown University graduate.

Harris to Pittsburgh for New England Casualty

New England Casualty has appointed Glenn Harris a special agent at Pittsburgh office. He succeeded James L. Spicer, who resigned to become branch manager at Charlestown of American Casualty.

Mr. Harris began his career with the William C. Burr agency, Pittsburgh, which is owned by his father. From 1940 to 1943 he was special agent for New Amsterdam in western Pennsylvania, leaving there to join the navy, in which he served until 1945. He resumed his work with New Amsterdam as a liability underwriter, also gaining experience in the bond department. He left to become manager of the casualty department of Norwich Union Indemnity, returning to New Amsterdam in 1947 and remaining with that company until his appointment with New England Casualty.

Lumbermens Names Flora Can. Underwriting Chief

L. J. Flora has been appointed general underwriting manager for Canada for Lumbermens Mutual Casualty, with headquarters at Toronto. Mr. Flora has been with the company at Chicago for more than 20 years. He was the first mutual company employee to receive the C.P.C.U. designation.

Following graduation from the University in Chicago in 1929, Mr. Flora joined Lumbermens in the automobile underwriting department, and for four years has been in charge of comprehensive liability underwriting at the home office.

Manufacturers & Merchants Makes Seven Field Changes

Manufacturers & Merchants Indemnity has made seven changes in the field.

John S. Kelly of the claim department at Chicago has been transferred to Dubuque to manage a new claim office there. Cyril Sullivan has been transferred from the Chicago sales department to a similar position at Omaha. Francis Gillespie of the Chicago sales office has been transferred to St. Louis,

and Art Rodabaugh has been transferred from Chicago to Indianapolis.

C. A. Monks, manager at New Castle, Ind., has been appointed claims manager at Indianapolis. Jack Medford of the home office underwriting department, has been named underwriter at Cleveland, and Eugene Bowman of the Toledo office has been appointed assistant manager at Cleveland.

Krier Sent to Milwaukee

Elmer Krier, who for many years traveled southern Illinois, handling losses for London Guarantee and Phoenix Indemnity, has been transferred to Milwaukee where he will be in charge of the claim department.

A. J. Victor in New Post

NEW YORK — Fireman's Fund Indemnity has named Anthony J. Victor as aide to Assistant Vice-President William A. Walker in its eastern department here.

Mr. Victor succeeds Malcolm deVesty, who has been transferred to the fire companies' eastern office at Boston.

Mr. Victor, who will have the title of assistant manager of agency department, has been with Fireman's Fund Indemnity for 19 years.

Brissman to Fireman's Fund

Fireman's Fund Indemnity has appointed Bernard G. Brissman as special representative in Minnesota with headquarters at Minneapolis service office. He has supervised operations of General Accident in Minnesota for some years.

Indemnity of N. A. Names Arnold in New England Post

Dion W. Taylor, who has been with Indemnity of North America since its beginning in 1920, has retired as manager in the New England territory. The company gave a testimonial dinner in Boston in Mr. Taylor's honor.

William P. Arnold, Jr., has been named to succeed Mr. Taylor, beginning Nov. 1. Mr. Arnold originally was an Indemnity special agent in New England and was made assistant manager under Mr. Taylor in 1948. During the war he served in the navy.

John Dwinell, who has been a special agent in New England, has been appointed assistant manager. Previously he had been in the underwriting department at the home office. He joined the company in 1938.

ASSOCIATIONS

Dr. Browning Tells Medical Problems to Casualty Men

At the October meeting Casualty Adjusters Assn. of Chicago heard Dr. Thomas C. Browning explain industrial medical problems. Dr. Browning, president of Central States Society of Industrial Medicine & Surgery and past president of the Chicago society, pointed out that one of the biggest problems encountered today is employer ignorance concerning the scope of coverage afforded under compensation policies.

This often results, the doctor said, in dissatisfaction on the part of the injured employee since he usually expects free medical care. Dr. Browning called upon claim men to help eliminate this by explaining more fully the exact limits of policy coverage.

At the business session before Dr. Browning's talk, President C. A. Reid,

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Liberty Mutual, appointed a nominating committee which will report at the November meeting. L. A. Stuhler, Employees Mutual, introduced the guest speaker.

Independent Claim Mgrs. Plan Chicago Session Dec. 8

The Claim Managers Council of Independent Casualty Insurers will hold its semi-annual meeting at the Edgewater Beach hotel in Chicago on Dec. 8-9. G. A. Hartnett, Great Central of Peoria, will talk on burglary coverages

and claim procedures. Vern A. Griffis, Western Casualty & Surety, will discuss farm liability. M. F. Priest, Anchor Casualty, will describe the method of handling small claims developed by his company. Charles Moul, Ohio Farmers Indemnity, will speak on garage liability. J. Nash Williams, General Casualty of Madison, Wis., will talk on violations of policy declarations. Paul Risher, Hawkeye Casualty, will be moderator in an open forum discussion on the automobile policy and other claim problems.

This meeting was planned at a special session of the executive committee of

the Claim Managers Council which met recently at Chicago. E. H. Lasseter, Illinois National Casualty, chairman of the program committee, met with Robert D. Denton, Wolverine, president of the Claim Managers Council; Mr. Risher, vice-president; Fred C. Saas, Buckeye Union, secretary-treasurer, and George E. Gantner, Utilities, executive committeeman.

Underwriters Hear Plan for Training Personnel

Casualty Underwriters Assn. of Chicago at its October luncheon heard Philip Cochran, educational director W. A. Alexander & Co., outline a plan for training underwriting personnel.

Most important Mr. Cochran said, is to thoroughly orientate the new employee to his job, company and the general insurance business. This indoctrination helps the employee to grasp the technical details of his job, Mr. Cochran pointed out, adding that without it the employee has a difficult time relating his duties to the whole operation of the company or agency.

A question period, moderated by Harold L. Bredberg, National Service and Appraisal Co., followed Mr. Cochran's talk. Mr. Bredberg also introduced the speaker.

Allen Club President

Will S. Allen, branch manager in Iowa for Massachusetts Bonding, has been elected president of Des Moines Casualty & Surety Club.

Jack Wheaton, New Amsterdam Casualty, is first vice-president; H. L. Dalton, Des Moines manager for National Surety, second vice-president, and C. Darwin Schenk, surety superintendent for U. S. F. & G., secretary and treasurer.

SURETY

Six Arrested in Stripping of Indiana Bank

Six persons have now been arrested in connection with the fraud by which Farmers & Merchants State Bank of Spencer, Ind., lost an estimated \$350,000 of its \$500,000 of deposits. The surety bond, with American Surety, is in the amount of only \$35,000. The sixth person arrested was L. O. Bardsley, a trucker of Harlan, Ind.

Main figure in this alleged gutting of the bank is Clyde G. Rectenwall, who was the cashier. Others involved are Dale Wicoff, a high school teacher of Spencer; Ray Hoover, head of a grocery store there, Andrew J. Miller, owner of a hatchery at Leo, Ind., and Roy C. Chaney, Jr., who operated auto lots at Ft. Wayne and Harlan, Ind.

According to the federal authorities, Rectenwall apparently never profited in the manipulations that covered a period of eight years. Chaney's father is a director of the bank and his sister was its sole employee aside from Rectenwall. The federal people state that Chaney was the principal beneficiary, his share being estimated at \$130,000.

The federal authorities state that Rectenwall's trouble apparently grew out of his friendship with the others that are involved and his unwillingness to press them when they overdraw their checking accounts. It is theorized that at the beginning, someone had an overdraft and Rectenwall let the matter slide. After that happened several times he got in so deep he had to begin juggling the books.

The system, according to the federal authorities, was to honor a worthless check and give the payee the amount. Then the check would be stored in the vault and the transaction would not be entered in the bank's records. To keep the cash on hand in apparent balance, he would fail to enter a like amount

when another customer made a deposit. The only discrepancy that would be apparent to an auditor would be between the bank's records and those held by individual depositors. The federal authorities say that a check of depositors' pass books would have revealed this fraud years ago, but a check of this kind is usually made only on dormant accounts, or when fraud is suspected. Rectenwall avoided tampering with any dormant accounts.

In one flagrant transaction, Chaney wrote checks on a non-existent account in the bank at Grabbill, Ind., and mailed them for deposit in the Spencerville bank. Later he withdrew these amounts. Indiana bank examiners received a tip concerning Chaney's manipulations, it is said.

Federal people said that more than 1,000 of Bardsley's checks that were accepted by the bank appeared to be worthless.

McCoy Picked to Head Milwaukee Surety Assn.

MILWAUKEE—Hugh McCoy, resident manager New Amsterdam Casualty, was nominated for president of Surety Underwriters Assn. of Milwaukee at a luncheon meeting. Others recommended are Stanley Webb, Fidelity & Deposit, for vice-president; Chester Schmidt, U. S. F. & G., secretary-treasurer; A. J. Goddard, Aetna Casualty; T. T. Carmick, National Surety, and Thomas Roberts, American Surety, for members of executive committee. Thomas F. Graham, Fidelity & Casualty, currently president, said the election will be held Nov. 10.

Controllers Hear Jackson

John H. Jackson, claims attorney of Fidelity & Deposit, addressed the Baltimore Control of Controllers Institute of America Oct. 26 on "The Cause and Effect of Defalcations on Costs of Fidelity Coverage."

Claim Men Hear D. A. Aide

NEW YORK—C. W. Kuhn of Standard Accident presided at the meeting of the Surety Claim Men's Forum. He introduced Jerome Kidder, assistant district attorney in charge of the frauds bureau in the New York county district attorney's office, as the guest speaker.

The discussion concerned crime problems as well as the procedure which is of interest to claim men.

R. F. Hunsdorfer of Massachusetts Bonding will preside at the next meeting.

Garrison Dam Bids Opened

Peter Kiewit Sons Co. and Morrison Knudsen Co. of Los Angeles were low bidders at \$5,740,500 for the excavation and construction of the main embankment of Garrison Dam reservoir, near Riverdale, N. Dak. Aetna Casualty for Kiewit and the Fidelity & Deposit for Morrison-Knudsen were on the bid bonds.

COMPENSATION

Hamilton Heads Body on Industrial Mishaps

NEWARK — Bernard Hamilton, chairman of the Compensation Rating and Inspection Bureau of New Jersey, was appointed chairman of a committee on accidental cost reduction through proper industrial accident records, which will report to the governor's conference on industrial safety to be held Dec. 1. L. L. Eaton of Liberty Mutual has been named vice-chairman.

Okay N. J. "Comp" Rates

New Jersey has approved revised rates filed by the Compensation Rating Bureau of New Jersey which reduce by

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PERSONALS

Vice-president W. E. Pullen of U. S. F. & G. has been on a Pacific Coast trip.

Albert J. Keith, special agent at Newark of Hartford Accident, has celebrated his 35th anniversary with the company. He was tendered a dinner and a gold wrist watch, gift of his associates in Newark and New York.

George F. Ainslie, Jr., vice-president of American Surety, will attend the convention of American Bankers Assn. at San Francisco, Oct. 30-Nov. 2. While on the coast he will visit branch offices at Los Angeles, San Francisco, Portland and Seattle.

E. H. Casavant, safety engineer Aetna Casualty, Hartford, was a judge at American Trucking Assn.'s National Truck Roadeo at Boston. Mr. Casavant represented Connecticut, receiving his nomination from the Motor Transport Assn. of Connecticut in recognition of his contributions in the field of safety to the trucking industry.

Opposes Compulsory Health

NEW YORK—A point made in his campaign by Herbert H. Lehman, former New York governor and now Democratic-Liberal candidate for U. S. Senator, is that he does not favor socialized medicine. Voluntary programs of health insurance should be encouraged and broadened, he declared in a political address. The government should work out plans in partnership with voluntary programs so that with such federal assistance as may be necessary adequate medical service can be assured for all the people. He took a clear position against the administration's compulsory health insurance plan.

George F. Ainslie, Jr., vice-president of American Surety, after attending the convention of American Bankers Assn. at San Francisco, will visit branch offices on the coast.

Rainier National of Seattle held open house in its new home office there Oct. 21. The company was formerly known as Northwestern Insurance Co. It is a stock casualty company.

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Limit on Claim Payments in Lighter Type Invalid

Under a ruling of the Kansas supreme court, reaffirming a decision which it gave last March, a statement in an A. & H. policy regarding the period for which benefits are to be paid is an "exception" and cannot be enforced unless it is printed in the same type as the statement of benefits payable under the policy.

This case, Owen vs. Mutual Benefit H. & A., attracted wide attention when it was first decided. H. & A. Underwriters Conference joined in asking a rehearing and filed a brief amicus curiae, but the opinion on rehearing merely reaffirms the former ruling, without any further clarification or restatement.

In the section of the policy in question referring to illness indemnities, the words "confining illness eighty dollars per month," were printed in capital letters in heavy face type. In the paragraph immediately following, in type of the same size, but light face, the insurer promised to pay "for one day or more, at the rate of \$80 per month, not exceeding twelve months..." The court cited the provision of the Kansas law that exceptions must be printed with the same prominence as the benefits to which they apply. It says that the words "illness indemnities" and "confining illness \$80 per month" contains no limitation as to time or benefit payment. The only place that is found is in the light face type. Therefore, it holds that this limitation is an exception, as that word is used in the Kansas statute. It held that the policy is not void, but should be construed as though the limiting clause were not in the policy at all.

It has the effect of making the policy a lifetime indemnity contract in such cases as the one directly at issue, where the insured was disabled as the result of a cerebral hemorrhage and it was stated that total disability and confinement would continue for the remainder of his life. It would be particularly onerous in the case of non-cancellable forms.

Self-Service Gas Station Rate Increases Urged

RICHMOND, VA.—Automobile insurers want to charge self-service filling stations insurance rates that would be 150% of those charged ordinary filling stations.

A petition by the National Bureau of Casualty Underwriters and the Mutual Casualty Insurance Rating Bureau for permission to add such a provision to the manuals and to make other changes in charges for insurance against bodily injury and property damage in garages, filling stations, dealers' establishments and parking garages, has been set for hearing Nov. 28 before the Virginia state corporation commission.

Richmond thus far has only one "cafeteria-type" filling station.

Form Multiple Line Insurer

Interests connected with Citizens National Life of Indianapolis have formed a multiple line insurer, Citizens National Casualty. Its capital will be \$208,100 and contributed surplus is to be \$416,200 to be produced through sale of \$1 par value stock at three times par.

Operations will be confined to automobile and A. & H. in Indiana. The officers and directors are those of the life company, including John Wilkins, president; Joseph E. O'Daniel, vice-president and Harlan B. Livengood, secretary-treasurer.

Aetna Men at Minneapolis

A conference of representatives of Aetna Casualty was held at Minneapolis. F. C. Knapp, secretary, and Frank W. Potter and Austin D. Bryan, field supervisors, were on hand from the home office. L. C. McGee, Twin Cities manager, was in charge.



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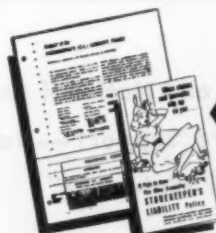
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It outlines and comments on the exact coverages... premises, products, contractual, protective liability and medical payments. It explains how gas appliance and other exposures can be covered. It clarifies rating method, conditions, exclusions. It lists non-qualifying stores. It emphasizes broad protection at big reduction (22½% and more) in premium over the old-style multiple policy setup.



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Accident Causes Told at National Safety Congress

At the National Safety Congress and Exposition held this week in Chicago, Arthur A. Hansen, supervising engineer Hartford Accident, reported that industrial safety troubles all can be traced back to the selection, arrangement, use or maintenance of equipment; the selection, placing, handling or processing of

material and the selection, placing, training or leading of people."

He urged safety engineers adopt a plan of action to help control all job hindrances, including accidents. This plan requires the engineer to get the facts, develop corrective proposals, sell the proposals and follow up.

This program, he said, is based on common sense principles. He explained that it makes the job easier, further reduces the number of industrial injuries and assists management in increasing production, improving quality and reducing costs.

Robert Clair, Liberty Mutual, Boston,

spoke on maintaining interest in accident prevention. Properly conducted inspections are a major aid in making any safety program work, he said.

A careful analysis of accidents that have occurred and a close study of statistics compiled from accident investigations are vital activities, Mr. Clair said. However, he pointed out that it is important not to lose the opportunity of detecting new or sleeping hazards that have as yet caused few or no accidents.

Mr. Clair remarked that inspections are complementary to accident analyses and investigations in presenting complete guidance and direction for an accident prevention effort. He explained that inspections should be thorough, conducted by capable persons and maintained with the complete cooperation of management and employees.

First Aid Effective

First aid training was described as "about the most effective weapon that has ever been used in accident prevention" in a talk by Claude F. Pipes, assistant manager safety engineering department, Employers Casualty, Dallas.

"From our own experience," Mr. Pipes said, "we have yet to find a company that has gone in for extensive first aid training that has not experienced a considerable reduction in accidents. It creates more interest in accident prevention, improves treatment of injured employees, and creates a sense of confidence in the supervisor and the employee that prevents many accidents."

Mr. Pipes proposed first aid training as only one phase of an educational program to create greater interest among factory supervisors in accident prevention activity. He said such a program also should include job training, a study of workmen's compensation insurance, study of work practices, instruction on protective equipment and instruction on what to do in the event an accident does occur.

A number of other insurance men participated in the many panel discussions and symposiums.

Exhibition Booths

Aetna Casualty, Metropolitan Life and Marsh & McLennan were among the 175 firms which had exhibition booths set up for the meeting.

Aetna Casualty's booth stressed the loss prevention service available to policyholders in both engineering and educational fields. How technical defects of certain industrial devices caused injuries and deaths were shown. Literature explaining how these could be avoided was distributed. The driverometer, a machine which tests the reaction time

of drivers, was very popular with those stopping at the booth. Paul B. Cullen, superintendent of public education, and Ernest G. Eppler, both of Hartford, were in charge of the booth.

Metropolitan Life displayed the literature it provides in furthering safety through education. Accident prevention and health programs for the community, industry and home were available. In charge of the booth was Thomas J. Berk, assistant director of safety, New York City.

Joel R. Wilson, chief engineer, represented Marsh & McLennan at its booth. The firm's engineering facilities were illustrated by sample surveys and more completely outlined by Mr. Wilson.

Celler Takes Over FTC Law Survey

WASHINGTON—A survey of state insurance laws by federal trade commission may be turned over to Rep. Celler, in connection with his subcommittee's anti-trust law study. President Truman directed the agency to cooperate with Celler.

Action by FTC on mail order insurance industry trade practice rules has been delayed on account of this survey and the reorganization of the commission.

Latest change in its personnel will be accession of James Mead, New York, who will be sworn in Nov. 16, succeeding Garland Ferguson.

Death of Commissioner Davis deprives the commissioners of the judgment of perhaps the best informed among their membership on insurance matters. Davis presided at the first mail order trade practice conference in Chicago.

The survey covers state anti-trust, fair trade, anti-price discrimination, unfair competition, false advertising, interlocking directorate, etc., laws, as well as those applying to mail order insurance.

Study of these laws with relation to P.L. 15, it is believed, will go far toward determining FTC jurisdiction in regard to insurance regulation.

H. & A. Conference Issues New Underwriting Report

After two years in preparation, an underwriting report has been completed by the underwriting committee of H. & A. Underwriters Conference. It is an up-to-date A. & H. insurance compilation of diseases and disabilities with a brief description and definition of each. Included are the definition of the condition and the method most companies use for obtaining full facts; the action that many companies take on such cases, and the substantial contents of waivers which many companies have found satisfactory to use.

D. B. Alport, assistant secretary, Business Men's Assurance, chairman of the underwriting committee, under whose direction the report was written, pointed out that the discovery of new drugs and new methods of medical treatment "will tend to eliminate certain diseases as impairments or at least effect cures that will make it possible for an individual's illness to be lessened as to length of disability, severity and remaining effects."

The report is available to any company at \$2.70 per copy.

Okla. Law Firm Enlarges

Thomas C. Hart, tax counsellor and attorney, has joined the firm of Savage, Gibson & Benefield, Oklahoma City insurance attorneys. The firm name is changed to Savage, Gibson, Benefield & Hart. Wayne B. Snow has been made an associate member.

Leonard H. Savage, one of the heads of the firm, who was recently made president of Standard Life & Accident, also is a director of Tri-State Casualty and Tri-State Fire of Tulsa; Mid-Western of Oklahoma City and Universal Life & Accident of Duncan, Okla.

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Condon Committee to Conduct Hearings Soon

The New York state joint legislative committee on insurance rates and regulation will resume hearings within a few weeks, presumably a short time after election.

Among the subjects to be considered by the committee are the underwriting profit formula and the inclusion of the word "underwriting" in section 183, subdivision 1d of the insurance law; regulation and taxation of unlicensed insurers; the possible amendment of section 67 of the insurance law which relates to the regulation of stock ownership, interlocking directors and common managements. Revision of several sections concerning life companies will also be discussed.

Committee Counsel Paul L. Bleakley, Yonkers, has queried interested parties and has also requested persons having other subjects for the committee's attention to contact him immediately.

Members of the committee this year are Senators William F. Condon, Republican, Yonkers, chairman; Seymour Halpern, Republican, Queens; Louis L. Friedman, Democrat, Kings; and Assemblymen William H. MacKenzie, Republican, Allegheny; Thomas A. Dwyer, Democrat, Kings; Harry A. Reoux, Republican, Warrensburgh, and Samuel Rabin, Republican, Queens.

Kaiser Awarded Top Prize of Insurance Institute

Robert E. Kaiser, casualty underwriter with Farm Bureau Mutual Automobile of Ohio was awarded the Edward Roche Hardy prize of Insurance Institute of America at the annual conference at New York this week. The award is for the "most distinguished student" of the graduating class.

George A. Hahn & Co. Is New Chicago Agency

George A. Hahn, well known in the Chicago agency field for over 45 years announces the formation of George A. Hahn & Co., with offices in the Board of Trade building. Vice-president is George A. Hahn, Jr., a son of the founder and with 10 years of insurance experience.

Joseph DeSerto, with 20 years in the business, becomes secretary.

Treasurer is Earl E. Meyers who has 10 years experience.

William J. Hahn, a second son of the founder, who during the past years has been assisting in production, also joins the firm as a vice-president. All of the principals were formerly associated with Byrne, Byrne & Hahn.

It was previously announced that the name of that agency had been changed to Byrne, Byrne & Co.

Takes on Life Company

MacGibeny - Wilkerson - Grupe, Inc., Chicago, has joined Continental Assurance as a district agency, through Life Associates, Inc., general agents, and thus joins the ranks of major fire and casualty agencies which have added life insurance to round out their facilities.

Fire Assn. Managers

PHILADELPHIA—R. B. Barnett, vice-president of the Fire Assn. at Atlanta; George V. Whitford, assistant manager at Chicago; E. E. Erickson, secretary-manager at San Francisco, and J. O. Smith, Jr., of Trezevant & Cochran, general agents at Dallas, spent several days at the head office here last week conferring with executives.

E. C. McFadden, vice-president and safety engineering manager of Texas Employers and Employers Casualty, was elected president of American Society of Safety Engineers, which held its annual meeting at Chicago in conjunction with the National Safety Congress gathering.

Viscount Knollys Gives Views at St. Louis

ST. LOUIS—The British and American insurance companies should not be disturbed by the present steps being taken by the labor government of Great Britain to bring its domestic house in order and to strengthen the position of that country in the world's markets, Viscount Knollys, managing director of Employers Liability, told the press at a conference here Tuesday.

Viscount Knollys stressed that the British insurers are in a sound position and should not be adversely affected by the moves being made overseas to improve Great Britain financial conditions. He said there presently is no serious movement to nationalize or socialize insurance. A short time ago there had been some discussion in official quarters, etc., concerning the government taking over the industrial life business but at no time has there been any pronouncement of that nature concerning the fire, casualty and marine fields. The government, of course, has set up a national fund for workmen's compensation.

Viscount Knollys was accompanied to St. Louis by Edward A. Larner, U. S. manager; Lee Oliver, personal assistant to Mr. Larner; C. H. G. Heinfeld, Jr., from the U. S. head office, and Shaw Kennedy of London. He left here for Omaha.

Signal Honor to Two Ohio Local Board Secretaries

Ohio Assn. of Insurance Agents took an unusual step last week when it awarded certificates of appreciation to the veteran paid secretaries of the two



J. F. Schweer



S. J. Horton

largest boards in the state—J. F. Schweer of Cincinnati Fire Underwriters Assn. and S. J. Horton of Insurance Board of Cleveland. These certificates have been awarded annually for several years to members of the association making an outstanding contribution to the insurance business in Ohio, but this is the first time they have been presented to anyone not actually in the agency business.

Bierwert Joins Moore, Case

Don J. Bierwert has been named casualty department manager by Moore, Case, Lyman & Hubbard, Chicago agency. He succeeds the late Edgar C. Peddersen.

Mr. Bierwert has been in charge of the casualty and surety department of A. F. Shaw & Co. at Chicago for 20 years. In addition he handled Lloyds business in casualty lines. Mr. Bierwert attended law school for three years and secured his basic training with Marsh & McLennan, where he worked about 10 years in the casualty department handling direct business and brokerage accounts.

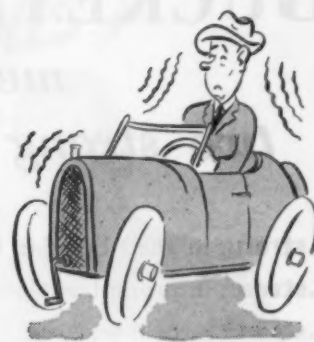
Mr. Bierwert is secretary of Assn. of Lloyds Brokers and treasurer of Surplus Lines Brokers Assn.

Hall Made Newark Manager

J. Ross Hall has been named fire manager at Newark of American Aviation & General.

Mr. Hall started in insurance with a rating association and for 25 years has been engaged in production and underwriting work. Recently he has been regional supervisor of Dubuque F. & M.

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Coast to Coast Service

Ill. Agents Hold 50th Anniversary Parley

(CONTINUED FROM PAGE 19)

emphasizes that insurance transfers the risk from the individual to the insurer; that the possession of risk producing hazards puts a responsibility on the owner. A loss is a loss however caused. A man with a \$10,000 house totally destroyed and with \$5,000 insurance has suffered a \$5,000 loss just as surely as man with a \$5,000 house and no insurance. Full enjoyment of property comes only when fear of loss or damage is removed. If there is one hole through which disaster can strike, the owner is making a compromise. A man can't outguess fate. By leaving out one part of an insurance program all a man can win is the premium. By underinsuring a man is laying his house on the line in a bold attempt to win a few dollars.

Frequency and Severity

Mr. Wilson distinguishes between loss frequency and severity. He points out that a \$10,000 liability policy will take care of almost any claim, but a man with an \$80,000 judgment against him gets no satisfaction from the theory that statistically this couldn't have happened.

The tools that are needed are a firm conviction, a prospect and two pieces of paper. The conviction is as to the need for complete protection selected and written by one competent agent. A prospect he defined as any one who doesn't have a relative in the business. One piece of paper is the questionnaire through which he digs out the wanted information. One question, he remarked, is whether the prospect is under obligation to any other agency. The second piece of paper is a chart, which sets forth what is covered and for how much. It contains four vertical columns. One is headed "House of Mr. Brown." Under that are listed the risk producing units, such as the members of the family, car, house, etc. The second is headed "If we are injured" and under this come the various personal accident coverages. The third column is captioned "If we injure someone else" and the fourth is labeled "If our possessions are damaged."

Uses Two Interview System

Mr. Wilson said he uses a two interview system. On the first visit he undertakes to instill an idea of the importance of complete protection and to get the questionnaire completed. Often the prospect will say that this is just what he has been waiting for—someone who is truly interested in his needs. Mr. Wilson says that his aim is to provide all of the insurance he really needs at the lowest possible cost. He takes about one half hour to fill out the questionnaire. This serves to convince the prospect that the agent is earnest and thorough and also makes him realize the complexities of the problem. Mr. Wilson then picks up the old policies. Then he designs a program from the questionnaire. He orders the policies and the endorsements to the present policies to tie the program together.

Second Interview

On the second interview he returns with all the policies, new and old, a chart and the bill. By means of the chart he shows how the man is now insured and arouses enthusiasm for the program. Then he shows the bill and proceeds to translate it into terms of monthly cost and to emphasize how little is the increased cost over his haphazard set of policies.

About one hour of office work is required. He has made one more friend for insurance and one more family secure. He buys for the prospect what he would buy if he were in the prospect's shoes but had the insurance knowledge that he as an agent possesses.

As to accident insurance he provides

lifetime indemnity for 80% of the man's earnings, with no death benefit, no double indemnity, no partial disability protection. He supplies \$2,000 blanket medical reimbursement for the father and lesser amounts for others in the family; \$2,000 auto medical payments for every member of the family; comprehensive personal liability in the amount of \$100,000, including business pursuits, and with at least \$250 medical payments; auto B. I. in \$100,000 level amount and \$100,000 P. D.; \$2,000 medical payments and drive other car and medical payments for all others in the household; dwelling fire and E. C. for the full value of the house; additional living expense and rental value cover; heating boiler cover if pertinent, PPF written to value.

Mr. Wilson finds that such a program on the average calls for a premium outlay of about 4% of the man's earnings. This compares with a

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W38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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to 3½% that is spent when buying policies haphazardly.

At the Tuesday morning session, there was a showing of the film "Found Money"; R. E. Chislett of Standard Oil of New Jersey gave a valuable talk on TDB laws, and W. F. Kuffel of the Kuffel-Eggert local agency, Chicago, in an address on mutual competition recommended the revivication of the Business Development Office type of activity at the community level. Agents in a town, he said, should trade information about mutual risks and work out competitive approaches.

Alvin S. Keys of Springfield reported for the resolutions committee. Then came the luncheon that was addressed by Superintendent Dineen of New York and where the officers were elected.

New Ill. President Is Experienced Leader

Frank H. Hawk, the new president of Illinois Assn. of Insurance Agents, started in the insurance business as a Travelers agent at Peoria in 1927 and since 1929 has conducted his own office, operating as F. H. Hawk Insurance Agency. He was born at Washburn, Ill., and left University of Chicago to enter military service in the first war. Before entering insurance he was with the paving contractor firm of G. W. Bushell Co., and was later with an asphalt company. He was president of the Peoria local board six years ago. He is chairman of the fire prevention committee of Peoria Assn. of Commerce. He has held office in Illinois Assn. of Insurance Agents since 1942 and for the past year was executive vice-president. Among the associates in his agency is his son, James H. Hawk. Others are Terry Burns, J. D. Putnam, W. A. Parker and Paul Ling.

PEORIA PICKUPS

William A. Wittick, Peoria local agent, despite the fact that Saturday is his 89th birthday, kept up with the convention proceedings in the spryest fashion. He started with the old compact bureau at Minneapolis 62 years ago; later was with Minneapolis Mutual, then with Fireman's Fund; later with the Wisconsin rating bureau and in 1896 went into the Illinois field for Royal. He has been in the agency field at Peoria since 1899. He is with the Mendenhall, Iliff Bros. and Hauser office. He goes to his office each morning and spends his afternoons gardening. He is a sports fan and attends all the Bradley basketball games. A son, Herbert E. Wittick, is secretary of Pilot of Toronto, the Standard Accident subsidiary. He thinks that he may be the last surviving member of the Min-Dakota-Wis tribe, which was an organization of field men in the northwest.

The wives of the past presidents were entertained at a dinner Sunday evening. The Chicago "Tribune" was delivered at the door of everyone at the convention through the courtesy of Fidelity & Deposit. The registration envelope contained a six inch rule made of an abrasive which it turned out neatly disposes of excess finger nails. This was the gift of Ohio Farmers which was represented by Roy Hauser, state agent. Another bonus was a pocket folder given by Henry F. Tuerk of Peoria, agency superintendent of Millers National.

Merle Read of Joliet, the state national director, and Mrs. Read went on from Peoria for a week's motor trip in Tennessee.

Walter Sheldon, vice-president, and Elmer Sanderson, who is in charge of outside production for W. A. Alexander & Co., Chicago, had to cut the Tuesday luncheon so as to be able to be back at Chicago for the annual dinner Tuesday of the 25-year Club of W. A. Alexander. Mr. Sanderson was slated for election as the new president. There are more than 40 members of the club.

Frank Budeller of Rock Island, a past president, was accompanied by his son, Francis Budeller, who has been with his father in the agency for the past year. Robert Mehr, insurance professor at University of Illinois, arrived in time for the banquet and was seated at the head table.

FBI Agent Analyzes Bank Defalcations, 1948-1949

(CONTINUED FROM PAGE 15)

accounts of several oil firms in which he was interested. The lavish manner in which the defaulter lived and speculated in oil fields eventually aroused the auditor's suspicions so that he wrote the New York bank. He found that all the bonds had been withdrawn. FBI agents succeeded in recovering \$250,000 which the defaulter had secreted in a safety deposit box.

Defalcations by the branch manager of a bank were brought to light in 1948 in an unusual way. A former employee of the bank moved to another state and secured employment in another bank. Assigned to the bookkeeping department, she was severely criticized for posting a small overdraft without calling it to her superior's attention. She said that in her previous employment it was not unusual for her to post overdrafts totalling much larger sums. This was called to the attention of the state banking examiners and then the nearest federal reserve bank.

A surprise examination of the woman's former bank revealed a discrepancy of \$5,600 between individual ledger cards and the control account. To discover the reason for this, several employees were interviewed and it was learned that when bank examiners appeared, one bookkeeper was instructed to remove overdraft ledger cards and to pull a number of ledger cards having an aggregate total of \$536,000. Defalcations to approximately this amount were discovered.

The manager had embezzled about \$299,000 for his personal benefit and about \$237,000 on behalf of others. A former employee of the bank had benefited to the amount of some \$5,000 through blackmailing the manager. He committed suicide when the peculations were brought to light. The irregularities were concealed for approximately 9½ years in the commercial deposit account.

Mr. Pennington writes that the number of irregularities are insignificant in comparison with the sums handled by banks throughout the country, or compared with the almost 14,000 banks. He suggested banks segregate dormant or inactive accounts in both commercial and savings departments, send verification statements to depositors on both commercial and savings accounts and advertise they are doing so, compel vacations, and check employee's outside activities subsequent to his hiring.

J. L. Ashton Is New Wis. Chief

MILWAUKEE—J. L. Ashton of the Leedom, O'Connor & Noyes agency, Milwaukee, was elected president of Wisconsin Assn. of Insurance Agents here Tuesday, succeeding Charles Manson of Wausau. The association has now been in incorporated and there is to be only one vice-president instead of three as in the past. He is George A. Timm of Kenosha. Donald Gottschalk of Milwaukee was reelected secretary; John H. Carney, Eau Claire, state national director. Urban Krier, the executive secretary, could not take part, as he was called to Haverhill, Ia., by the death of his father.

Attendance was 535. Membership now stands at 1,352, a big increase having been recorded due to the Milwaukee Board becoming coextensive.

Chicago Women's Roundup

The women's division of Chicago A. & H. Assn. has arranged for a "fall roundup" Nov. 4 at 6 p.m. at the headquarters of H. & A. Underwriters Conference, 176 West Adams street. There will be cocktails and entertainment, buffet and a good fellowship hour.

J. A. Pollen, general manager of London Assurance at the head office, is making a U. S. visit.



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Experience has proved that handicapped persons can be transferred from relief rolls to payrolls—that they are safe, efficient workers when they are correctly placed in suitable jobs. Therefore we salute Congress for designating the first week in October as National Employ the Physically Handicapped week.

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A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Government Bonding Move Is Still Indecisive

(CONTINUED FROM PAGE 25)

that line and government paying premiums on bonds for its officials and employees required to be bonded.

With at least one of the new bills referred to a congressional subcommittee for hearing, possibility of some action seems nearer, and it was reported surety interests were preparing to meet the situation. Possibility of submission of some constructive suggestions from that source was not discounted.

Attending the conference were: Robert R. Hume, American Surety; David Q. Cohen, manager fidelity and surety department, and Howard M. Starling, Washington manager Assn. of Casualty & Surety Cos.; W. J. Armstrong and N. R. Roane, budget bureau; A. W. Sparrow, Jr., Fidelity & Deposit; Henry B. Cusick, W. L. Ellis and E. T. Johnson, general accounting office; Maurice G. Herndon, National Assn. of Insur-

ance Agents; H. C. Loeffler, Senate committee on expenditures; Harry E. Harper, staff House committee on expenditures; J. P. Hacker, Standard Accident; N. M. Franklin and Martin W. Lewis, Surety Assn. of America; J. C. Smith, Travelers, and John W. Williams, U. S. F. & G.

Multiple Lines Offer Business Chance to Mature

(CONTINUED FROM PAGE 1)

In the past, he said, American insurance froze underwriting into statutory forms and then proceeded to make widely different statutory and administrative rules for each form. Today it is suffering from acute specializitis. Outside the life field, continued separation has no justification but a now threadbare and outworn historical background. Casualty, marine and fire sides each have developed a jargon and an outlook that is more or less unique and wholly

or partly incomprehensible to a member of the other side. With as much misunderstanding as there is within the industry, small wonder the public can be misled by sensational publicity of the sort recently given A. & H., that the average policyholder is overwhelmed by the bulk and complexity of the contracts he buys, and the true position and work of insurance as a whole is misunderstood. With multiple line underwriting the legislative maze is being torn down.

He suggested that in one respect, international business, American insurance has not yet stood on its own feet nor taken the proper measures to get in that position. It is time to reexamine the policy of making it easier for Lloyds and other British insurers to do business in the U. S. by imposing on them lighter than usual requirements. It seems that British underwriters should now be required to meet in the U. S. no less stringent legal requirements than those imposed on American companies. It is time for American insurers to compete on equal terms with those of other countries in restoring the economy of a war torn world.

There were 16 given the C.P.C.U. designation by Dean Harry J. Loman of the American Institute.

Teen Age Drivers' Influence on Liability Rates Told

(CONTINUED FROM PAGE 25)

when those operators fully recognize their obligations to others on our highways and, as the result of the combined efforts of parents, teachers, state authorities and safety organizations, youthful operators exercise care, common sense and reasonable consideration for others.

If and when their accident record does improve, Mr. Brewster remarked, the automobile liability rates for this class of operators will be reduced. In addition to the money saved these operators will find great satisfaction in having a real part in reducing the appalling number of needless and costly deaths and injuries now occurring on our streets and highways, he concluded.

Arizona Agents Elect Davidson as President

(CONTINUED FROM PAGE 1)

reported as state national director. The luncheon speaker was J. Howard Pyle of radio station KTAR.

In the afternoon, Dr. Louis Hirsch of Arizona Medical Society spoke on compulsory health insurance and there were panel discussions on contract bonds with Verland Haldiman as moderator; comprehensive multiple liability, in charge of Ralph Cash, and office methods, personnel and collections with R. N. Martin, Jr., presiding. That evening there was the Blue Goose "Forty-Niners Party."

The convention ended with installation of new officers. There were 350 at the banquet.

Harper Burns Promoted

America Fore has elected Harper J. Burns Pacific department assistant comptroller. He went with the Chicago office in 1912 as a register clerk in the survey department, later advancing to agency bookkeeper. In 1917 he transferred to San Francisco to assist in opening the Pacific department. Two years later he was promoted to general cashier on the coast and in 1923 became chief clerk.

Afia Legion Meets, Elects

The Afia Legion, quarter century club of American Foreign Insurance Assn., held a meeting and dinner in New York City. General Manager U. E. Guerrini, charter member, was in Europe. Assistant General Manager L. C. Irvine was guest of honor and N. Ottens, a field manager, attended. New officers are George Morvan, president; George Nordgard, vice-president; Elsie Treen, secretary, and Eric Arpert, treasurer.

Court Releases Insurer in Purposeful Auto Killing

The fourth circuit court of appeal at Baltimore has overruled a decision of the federal court at Harrisonburg, Va., and decided that a driver who uses his automobile to purposefully cause the death of another releases the liability insurer from obligation by this act. The case was appealed to the circuit court by Farm Bureau Mutual Automobile, which had insured the automobile of Marvin Magner, a Virginian, against whom \$43,000 in judgments had been obtained. Magner was convicted in criminal proceedings of second degree murder and was sentenced to 10 years in the penitentiary for purposely causing the death of at least one of the five persons who were in a car that he deliberately struck. Three persons were killed and two were injured.

The appeals court opinion written by Circuit Judge Soper ruled that it is "contrary to public policy to permit an insured to profit by his own wrongdoing, or to encourage the commission of unlawful acts by relieving the wrongdoer of financial responsibility therefore."

Judge Soper commented that the policy specifically excluded coverage for such unlawful acts as homicide. He recognized that the lower court was acting on another theory of public policy involved in the automobile responsibility laws but said that public policy must yield in this instance.

Auto Rate Changes in East

National Automobile Underwriters Assn. has revised its manuals and rates and rules in Connecticut, Delaware, District of Columbia, Massachusetts, New Hampshire, New Jersey, and Vermont effective Oct. 17 on new and renewal policies and on all policies as of Dec. 1. These are separate state manuals. Previously there was one manual for New York and one for the remainder of the eastern territory. The latter still applies in Maine, Maryland, Pennsylvania and Rhode Island. Experience for each state was used to develop new rates. Changes vary but for most of the states private car collision changes effect a substantial reduction in age groups one and two, a moderate cut for cars 1942 to '47 vintage and increase on all models older than '42.

Three Seek Cal. Entry

Midwestern of Oklahoma City, Michigan Mutual Liability, and Baloise Marine of Switzerland, have applied for admission to California.

Fire Engineer Named

John J. Glancy of Greenfield, Mass., has been appointed fire prevention engineer for the Merrimack and Cambridge Mutual Fire. He is a graduate of Deerfield Academy and Williams College.

He has just completed training in fire prevention engineering with Mutual Fire Inspection Bureau at Salem, Mass.

Strack Leaves N. Y. Dept.

Adam Strack, who became widely acquainted in the fire and casualty business while making the preliminary investigations of company accounting systems, preliminary to the adoption of the uniform accounting regulation, is leaving the uniform accounting division of the New York insurance department to go with another branch of the New York state government.

N. Y. Club Hears Orsini

The status of problems surrounding the New York disability benefits law was outlined by L. A. Orsini of the Bureau of A. & H. Underwriters in an address before the New York City A. & H. Club.

He described the legal qualifications which must be complied with and the work of the committee on advisory policy forms, statistical and reporting procedures, and claims.

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THE musical notes of a bell which had once hung in an old French church summoned the slaves at Belle Meade to their daily tasks. By some strange chance this bell had found its way across the sea to a Mississippi steamboat where its mellow tones so captivated Belle Meade's owner that he bought it for his estate.

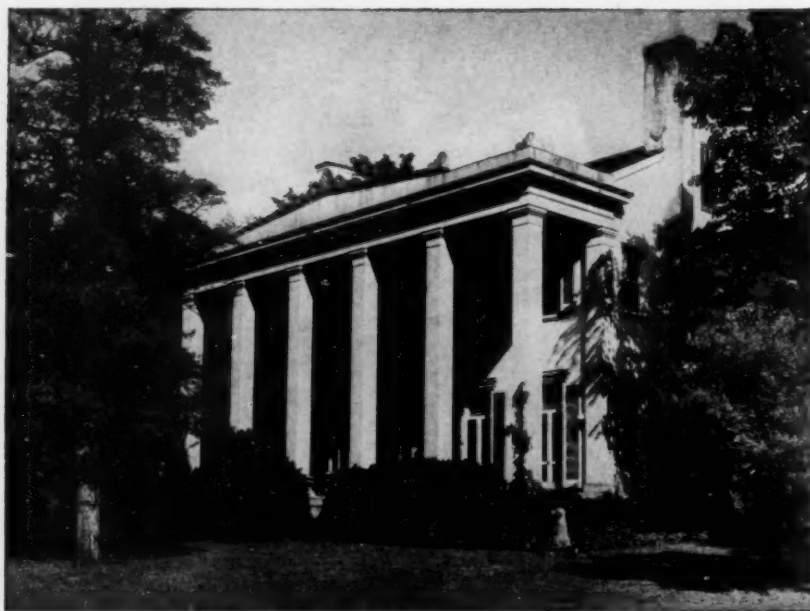
Located about six miles from Nashville, Belle Meade is reached through a long avenue lined with vine-covered cedars. The house was built in 1853, the year The Home was founded. It replaced an earlier dwelling which had been destroyed by fire. The six square columns on the portico were made from stone quarried on the estate. John Harding, the first owner, cleared and fenced the property when he came to Tennessee in 1805. While a home was being built, he lived in a log cabin where his son William Giles Harding was born.

Brigadier general in the militia and prominent agriculturist, William G. Harding made Belle Meade one of the most pros-



BELLE MEADE

the Beautiful



A gardener was brought from Switzerland to care for the flowers and shrubs

perous farms in Tennessee. Within its 5,000 broad acres was a park planted with blue grass where as many as 250 deer roamed unmolested. At one time elk, buffaloes and cashmere goats were also given sanctuary.

But Belle Meade's principal attraction was its magnificent thoroughbred horses, many of which, including Bonnie Scotland, Iroquois and Luke Blackburn, won lasting fame in the annals of the turf. As probably America's oldest farm for breeding thoroughbreds and one of the finest of its day the estate was



IROQUOIS - Only American bred horse that has ever won the English Derby

internationally renowned. The sale of yearling colts which was an eagerly awaited annual event brought thousands of visitors from this country and abroad. Representatives of the French government who came to inspect American thoroughbreds in 1881 reported that Belle Meade had the finest in the country. Though his horses were entered in all the leading races and won many trophies, General Harding was interested in racing solely as a gentleman's sport and refused to take part in betting.

Besides horsemen

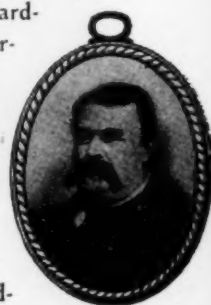
Famous American Homes

many prominent persons were visitors at Belle Meade, including Andrew Jackson, James K. Polk, Benjamin Harrison and Grover Cleveland. As evidence of the hospitality for which the plantation was noted, the dining table was kept extended to its full length with places always set for unexpected guests.

Like most of the southern plantations of that time, Belle Meade had its complement of slaves. They were, however, treated with unusual consideration and concern for their comfort and welfare. Charles Sumner, noted abolitionist, declared

that if conditions at Belle Meade were typical of the South, "I must retract much that I have written against slavery."

Two of General Harding's daughters married brothers, William H. and Howell E. Jackson, who continued to operate Belle Meade after Harding's death. By General U. S. Grant's own admission he narrowly es-



caped capture by William Jackson who was a brigadier general in the Confederate cavalry.

Though the property passed into other hands after the death of General Jackson's son and has been reduced in size throughout the years, Belle Meade, still privately owned, has been maintained as one of the South's most beautiful plantations.

* * *

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